

# AN OVERVIEW OF GREEN MARKETING IN INDIA

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## ABSTRACT

Green revolutions, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more have become a natural phenomenon in our everyday life. Green marketing is a tool used by many companies in various industries to follow this trend. This paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper also examines the present trends of green marketing in India and describes the reason 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.

## INTRODUCTION

In the last decade, consumers have become more enlightened on environmental issues. Green marketing refers to selling product or rendering services based on environmental benefit. It came into existence in late 1980s and early 1990s. Green marketing is growing rapidly and consumers are willing to pay a lot for green product. There has been little analysis of the impact of this new market on the consumers and the environment so far. Green marketing affects all areas of our economy, it does not just lead to environmental protection but it also creates new market and job opportunities. Companies that are environmental stewards stand a chance of gaining many satisfied and loyal customers.

## Green Marketing

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising.

Thus “Green Marketing” refers to holistic marketing concept wherein the production, marketing consumption and 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 in

to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

### **WHY 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 billions of 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 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 protection of 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 growing market for sustainable and socially responsible products and 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 offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products. Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Several books on green marketing began to be published thereafter. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment 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 2000.

#### **1.1 Importance of Green 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 protection of 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 growing market for sustainable and socially responsible products and 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 offspring. Various studies by environmentalists indicate that people are concerned about the environment

and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products.

### 1.2 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.

### Green Products Examples

1. Power from wind and solar energy
2. Solar heater
3. Solar kitchen appliances
4. Gas fitted vehicles
5. Philips CFL bulbs
6. LED Lights
7. Green data centers
8. Electricity powered vehicles
9. Electric kitchen appliances
10. Nokia take back campaign
11. McDonalds's napkins and bags
12. Lewis jeans @ ECO
13. Nike Green shoes(Air Jordan)
14. Apple green technologies
15. Motorola Green phone Moto W233

### 1.3 Need of Green Marketing

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class.

Financial gain and economic profit is the main aim of any corporate business. But harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

#### 1.4 Challenges in Green Marketing

**(a) 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 labeling and licensing.

**(b) 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.

**(c) 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.

**(d) 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.

#### 1.5 Golden Rules of Green Marketing

- (1) Know you're Customer
- (2) Educating your customers
- (3) Being Genuine & Transparent
- (4) Reassure the Buyer
- (5) Consider Your Pricing

(6) Giving your customers an opportunity to participate

(7) Thus leading brands should recognize that consumer expectations have changed

### 1.6 Green Marketing – Adopts by the Farms

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

**(a) Opportunities** - As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing non-environmentally responsible alternatives.

**(b) Government Pressure** - As with all marketing related activities, governments want to "protect" consumer and society; this protection has significant green marketing implications. Government regulations relating to environmental marketing are designed to protect consumers in several ways, Reduce production of harmful goods or by-products Modify consumer and industry's use and/or consumption of harmful goods

**(c) 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.

**(d) Social Responsibility** - Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture.

**(e) Cost of Profit Issues** - Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful byproducts, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes.

### 1.7 CURRENT SCENARIO OF GREEN MARKETING IN INDIA

In India, major steps are taken for accepting green marketing. Indian people believe in "Pollution Prevention Pays." Preventive measures have been adopted to avoid pollution. Over 70% of the pollution in the country is estimated to be caused by the vehicles. Some examples of green marketing in India are:-

□ **No Polythene carry bags for free:** Forest and environmental Ministry of India had ordered to retail outlets like Big Bazaar, D-Mart that they could provide paper carry bags to customers only if customers are ready to pay for it.

□ **Digital Tickets by Indian Railway:** Recently IRCTC has allowed its customers to carry PNR No of their E-tickets on their laptop and mobiles. Customers do not need the printed version of their ticket anymore.



- **Wipro Green Machines:** Wipro InfoTech was India's first company to launch environment friendly computers peripherals for the Indian market. Wipro has launched a new range of desktop and laptops called Wipro green ware. These products are called ROHS. (Restricted of Hazardous Substances)
- **Use of ATM by Banks:** By using Eco and power friendly equipment in ATM, the banking giant has not only saved power cost and earned carbon credit but also set the right example for others to follow. Many banks are providing services like paperless banking, no deposit slip, no withdrawal form, no money transaction form.
- **Introduction of CNG in Delhi:** Capital of India, New Delhi was being polluted at a very fast pace. To decrease pollution, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.
- **Lead free paints from Nerolac:** Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium and antimony can have adverse effects on human. Lead in paints especially poses danger to human health where it can damage the central nervous systems, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.
- **Use of tank instead of Plastic:** Coca Cola pumped syrup directly from tank instead of plastic which save money.
- **Use of super long life bulb:** Philips has launched the 'super long life' bulbs which save up 20% energy.
- **Use of recycled paper bags:** Mc Donald's has started to use napkins, bags which are made from recycled paper.

So we can say India has paid more attention towards green marketing. Many brands like Amul, Dabur India Ltd., Britannia Industries Ltd, HUL, Wipro technologies, Infosys, Maruti Udyog Ltd., Philips electrical and Godrej etc. have achieved the status as 'Green Brands of India'.

### 1.8 The Future of Green Marketing

There are many lessons to be learned to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future? Business scholars have viewed it as a "fringe" topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of "give customer what they want" and "sell as much as you can".

### 1.9 Consumer Value Positioning

- Design environmental products to perform as well as (or better than) alternatives.
- Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments.

- Broaden mainstream appeal by bundling consumer desired value into environmental products.

### 1.10 Calibration of Consumer Knowledge

- Educate consumers with marketing messages that connect environmental attributes with desired consumer value.
- Frame environmental product attributes as “solutions” for consumer needs.
- Create engaging and educational internet sites about environmental products desired consumer value.

### 1.11 Credibility of Product Claim

- Employ environmental product and consumer benefit claims that are specific and meaningful.
- Procure product endorsements or eco-certifications from trustworthy third parties and educate consumers about the meaning behind those endorsements and eco certifications.
- Encourage consumer evangelism via consumers social and internet communication network with compelling, interesting and entertaining information about environmental products.

### 1.12 TIPS FOR SUCCESSFUL GREEN MARKETING

Consumers want to do the right thing when it comes in protecting the environment and their health. Even in this economic climate, the green movement is gathering momentum, and it’s hard to miss the deluge of ads introducing new green products from well-known national brands. Before you jump on the green bandwagon, make sure that the marketer takes these three essential steps:

#### ❖ **Prove your claims**

Today’s shoppers are willing to dig deeper to get the real facts by examining consumer reports, reviews, testimonials and recommendations, as well as certification seals, labels and ingredient lists. All the marketing efforts, from the website to sales tools, public relations placements and social networking, must go the extra mile to provide verification of the green claims.

#### ❖ **Get pricing right**

While many green shoppers are willing to pay extra price to do the right thing, the majority say price is very important in their purchase decisions. Consumers want quality products that are good for them and for the environment at a price that they can afford. Teen’s ages 13 to 17 are the most price-conscious green shoppers, according to a survey from Generate Insight, an entertainment branding company. When rock bottom pricing is unachievable, great value can still add up to sales.

#### ❖ **Offer personal benefits**

Saving the planet is a big promise and a meaningful to many consumers. But it will have more teeth if it relates that claim to a personal benefit, such as improving one’s health or saving money. For example, food that’s organically grown means that fewer pesticides and herbicides that will damage the environment are used an invaluable benefit. Yet the essential bottom line for many organic food shoppers is the assurance that fewer harmful chemicals will find their way into the bodies of their children and families.

## CONCLUSION

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 roles 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. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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