
Green Marketing in India

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ABSTRACT:

*The world that we live in is proving to be more challenging and grinding. Anthropogenic pollution is changing the Earth's climate. We can see the damage that a disrupted climate can do: on our coasts, our farms, forests, mountains, and cities.... these are not good stories. Those impacts will grow more severe unless we stand together against it. In the race of earning profit, firms are producing goods and services using non recyclable packaging, usage of toxic materials in production and disposal of many products affects environment tremendously. Modern marketing has created a lot of problems such as environmental degradation. And **green marketing** is the solution for those problems. Green marketing is the marketing of environmentally friendly products and services. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Green marketing involves making an effort, whether in designing products, offering services, or building a corporate culture that has a significant impact on the environment and the world around us. It is becoming more popular as more people become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet. The purpose of this study is to enumerate the scope and development of green marketing in India. The study will have a special focus on the opportunities and challenges green marketing faces in the current market scenario.*

Keywords: *Green marketing, scope, objectives of green marketing, challenges, opportunities.*

Introduction:

Green marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. In simpler terms, green marketing is the marketing of environmentally friendly products and services. The term Green Marketing came into prominence in the late 1980s and early 1990s. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Green marketing is part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment. Green marketing is not simply the act of giving lip-service to loving the environment, but really making an effort, whether in designing products, offering services, or building a corporate culture that has a significant impact on the environment and the world around us.

Green Marketing's Objectives

Green marketing is important for a number of reasons, from eliminating wastefulness to educating consumers about how a company is maintaining eco-friendly measures. Here are some other objectives to consider when thinking about green marketing.

1. **Avoiding waste:** Whether it's creating biodegradable product packaging (meaning it can be broken down by biological means), cutting down on water consumption, or reducing the amount of trash that goes into

landfills, green marketing is just as concerned with avoiding waste as putting forward an eco-friendly face to the public.

2. **Reinventing products:** Products themselves can be modified to lessen the impact on the environment. For example, Method sources its ingredients from many plant-derived ingredients, which means it's safer for humans, not toxic to family pets who might accidentally ingest it; and more environmentally-friendly by being water-soluble and dispersing safely into the environment.

3. **Making green while being green:** Of course, companies that promote green products want to not only be good stewards of planet Earth, but make a profit while doing so. Green marketing allows businesses to capitalize on the subset of the population willing to pay a little more to lessen their footprint on the environment and protect the atmosphere.

4. **Creating eco-friendly messaging:** Green marketing's biggest "marketing" accomplishment might be in messaging. Green marketing works to help consumers understand a product's green benefits and a company's commitment to the environment. It's also an important avenue in which to educate people about sustainability and the environment.

Green Marketing Methods

⇒ It mainly focuses on production of green product and services. A green product should not:

-)] Endanger the health of people or animals
-)] Damage the environment at any stage of its life, including manufacture, use, and disposal
-)] Consume a disproportionate amount of energy and other resources during manufacture, use, or disposal
-)] Cause unnecessary waste, either as a result of excessive packaging or a short useful life
-)] Involve the unnecessary use of or cruelty to animals
-)] Use materials derived from threatened species or environments

⇒ Beyond making an environmentally friendly product, business owners can do other things as part of their green marketing efforts. The following can all be part of a green marketing strategy:

-)] Using eco-friendly paper and inks for print marketing materials
-)] Skipping the printed materials altogether and option for electronic marketing
-)] Having a recycling program and responsible waste disposal practices
-)] Using eco-friendly product packaging and power sources
-)] Using efficient packing and shipping methods

Scope:

“Show potential customers that you follow green business practices and you could reap more green on your bottom line”. Green marketing isn't just a catchphrase; it's a marketing strategy that can help you get more customers and make more money. But only if you do it right. Green marketing is typically practiced by companies that are committed to sustainable development and corporate social responsibility. More organizations are making an effort to implement sustainable business practices as they recognize that in doing so they can make their products more attractive to consumers and also reduce expenses, including packaging, transportation, energy/water usage, etc. Businesses are increasingly discovering that demonstrating a high level of social responsibility can increase brand loyalty among socially conscious consumers.

Green marketing is particularly important in industries where consumers are focused on sustainability and more environmentally-friendly consumption, such as automobiles and foods. However, green marketing is not for everyone, so companies must weigh whether their consumers are more - or less - motivated to make purchases or be loyal to a brand by green practices. If they think their customers will be attracted to green marketing, then a blueprint for green marketing should be prepared separately. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base

their buying decision accordingly. The not-so-obvious assumption is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product.

A number of factors have caused business firms in some industries to incorporate an environmental ethic into their operations. The principal factor, of course, is the growing public awareness of the environmental degradation that has resulted as a consequence of the growth in population and natural resource consumption throughout the world during the last 50 years. Many consumers, and not just the most environmentally conscious, have begun in recent years to incorporate environmental concerns in their personal buying decisions through the purchase and use of products and services perceived to be more environmentally friendly.

LOHAS (Lifestyles of Health and Sustainability)

Consumers who prefer to purchase green products even though they might be more expensive fall into the 'LOHAS' category. LOHAS stands for Lifestyles of Health and Sustainability. According to Wikipedia:

“LOHAS describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions.”

These consumers are active supporters of environmental health and are the heaviest purchasers of green and socially responsible products. They are the target customers of firms who adopt green marketing.

The green marketing mix

A model green marketing mix contains four "P's":

- J) **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.
- J) **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.
- J) **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 easier to be marketed “green” than products imported.
- J) **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.

The disposable income of consumers' affects their sense of social responsibility which directly affects the scope of green marketing. Highly price-sensitive consumers are the least responsive to green marketing. For those with less disposable income, being thrifty with their money becomes a more immediate concern. Green marketing therefore faces a particular challenge in times of economic slowdown, as price becomes a bigger factor in consumers' purchasing decisions.

Companies following green marketing in India:

Even though green marketing is a new concept of marketing for Indian market, it is still adopted by several companies and numbers are increasingly significantly who are reaping the gains out of it. It proves that green marketing definitely has a promising scope in the market. Following are the companies which transformed into “green” companies who are being accepted by millions:

1. **HCL:** HCL is another brand that is trying to introduce eco- friendly products in the market and it has recently launched the HCL ME 40 notebooks. These notebooks do not use any polyvinyl chloride (PVC) material or other harmful chemicals and the Bureau of Energy Efficiency already given it a five star rating

2. **MRF Tyres:** MRF has launched the ZSLK series and this is all about creating eco- friendly tubeless tyres made from unique silica- based rubber and also offers extra fuel efficiency to those who drive their vehicles
3. **Samsung:** Samsung India has always had a roaring range of LED TV screens and now they have come up with eco- friendly LED backlight. They use 40% less electricity and do not contain any harmful chemicals like mercury and lead.
4. **IndusInd Bank:** One of the first banks in India to discourage the use of paper for the counterfoils in ATMs, and sending electronic messages, it has contributed a lot towards saving paper and reducing deforestation.
5. **LG:** LG India has been a pioneer is making electronic gadgets that are eco-friendly. Recently, it has launched a LED E60 and E90 series monitor for the Indian market. Its USP is that it consumes 40% less energy than conventional LED monitors. Also, they hardly used halogen or mercury, trying to keep down the use of hazardous materials in their products.
6. **Tata Metaliks Limited:** This deals in mining and metal sector. It has given a green view to reduce its carbon foot prints. The objective of Tata Metaliks Limited is to increase the green cover through plantation, ground water, power generation and use of natural fertilizers etc. The major green initiatives of this company is related to water utilization. It depends entirely on the ground water or no municipal supply and it will perform a complete water neutral operation.
7. **Maruti Udyog Ltd:** The company has been promoting 3R since its inception. As a result the company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption. The company has implemented rain water harvesting to recharge the aquifers. Also, recyclable packing for bought out components is being actively promoted.

Outstandingly, not only the companies but Indian government is also promoting it. New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to suppress pollution and taking a step forward for *sustainable* development.

Opportunities in green marketing:

“If you contribute in the service of nature it will return the favor in a most implausible way.” Companies that boast new products, services, processes, or procedures that shine a light on their attention to environmental or social issues unlocks several opportunities which were unapproachable before. Some of them are stated below:

1. Access to new markets-

As today’s consumers are becoming more aware about impact of product on environment. When a business shines light on the positive impacts their product or service brings about they have the possibility of piercing new target markets. Environmentally conscious consumers may flock to the eco-friendly brand and embrace the products. Consumers who may not previously have been interested in the company’s products may show new interest now that they see the benefits of new recyclable or renewable products.

2. It ensures sustained long-term growth along with profitability-

Sustainability is a key concern for the millennial generation. Once, a firm is able to reach new markets, it’s likely to see a boost in their sales, as eco-savvy consumers make the switch from their usual brand to one boasting more environmental awareness. They are willing to pay more for products and services seen as sustainable or with a positive social impact. Customers are reassured when their products are chemical-free and made with recyclable materials that do not harm the environment.

3. Long term cost saving-

It might take a bit more investment to get environmentally-friendly manufacturing processes in place or to change up the ones marketing tactics, but in the long run, company will be saving money through eco-friendly

practices. For example, it may cost money to install solar panels initially, but the reduced energy consumption will save big bucks in future.

4. Edge in competition-

When a company opts for green marketing, it becomes a responsible leader in its respective industry and the customers that do not prioritize environmental issues also admire it. It also creates a wider choice of marketing points that a firm can promote which go beyond traditional strategies such as having the lowest price, durability and style. Firm can now focus on product's environmental and social benefits instead of solely marketing the price and value.

5. Enhancement of goodwill-

The direct and foremost advantage of green marketing initiatives is enhancement of goodwill in the eyes of consumers and suppliers. Many people are becoming more focused on buying from brands that are environmentally conscious which often creates brand loyalty. Customers are loyal to the brand which satisfy their needs and benefits the society or environment as well.

Challenges in green marketing:

Every coin has two faces so do green marketing. With all due respect green marketing brings several opportunities to a firm, hands down; however it also has some drawbacks which firms should prioritize before formulating or altering its marketing tactics. Following are the challenges which make it hard for some firms to adopt it:

1. Huge initial investments-

Changing ones marketing tactics takes time and the development of a new strategy, which typically translates into increased costs. While company's sustainable efforts and practices are designed to save money, when a company puts effort into changing their brand to be more environmentally friendly, those changes can have expensive upfront costs which restricts small enterprises from adopting it.

2. Maintenance cost-

A firm's duty doesn't end after making investment once. To maintain the brand's ecological claim, firms have to acquire renewable and recyclable material, which is costly. Firms have to incur heavy cost in order to maintain it which takes a large portion of their profits.

3. Lack of awareness of green products and their benefits-

If consumers are not educated about green products and their benefits then it may turn into a disaster for a firm. Before launching an eco-friendly brand or product firms have to organize a campaign to increase the awareness of green products within public. This whole procedure is time consuming and costly which binds many firms to adopt it.

4. Unwillingness of consumers to pay premium price-

After adopting green marketing, hike in brand's price is obvious since firm had to incur huge costs to produce it. A firm has to cover the cost for its survival to serve the society without any disruption. Despite of this fact, majority of consumers don't buy that brand since they have to pay premium price because of less disposable income. On the other hand, some consumers are least concerned about environmental issues because they do not have the time or the means.

5. Complex procedure of certification-

To market the products as "green" firm may need to go through an expensive and lengthy process of getting environmental certifications. These certifications, which governments, industry associations, trade associations and consumer advocacy groups all distribute, require products to meet certain standards for energy use, efficiency or recyclability. Meeting these standards may be difficult, especially while keeping prices low. However, without an official certification, customers have no way of gauging the truth behind your "green" claims.

Green washing:

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciences with their money, it is leading to **greenwashing**. The term "greenwashing" refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of greenwashing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial. That's why many customers have grown skeptical of seeing the word "green" stamped on products or services. The word "green" has been vastly overused and has practically lost all of its meaning. What's more, some customers even see it as simply an excuse for a company to charge more for products with no environmental benefits. An example of this is when a company uses the color green in their packaging, or the word green somewhere in their messaging, when there isn't anything particularly eco-friendly about their product, nor it's not more eco-friendly than competing products.

In fact, green advertising claims grew so rapidly during the late 1980s that the **Federal Trade Commission (FTC)** issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising. Since that time, the FTC has continued to offer general guidelines for companies wishing to make environmental claims as part of their promotional efforts:

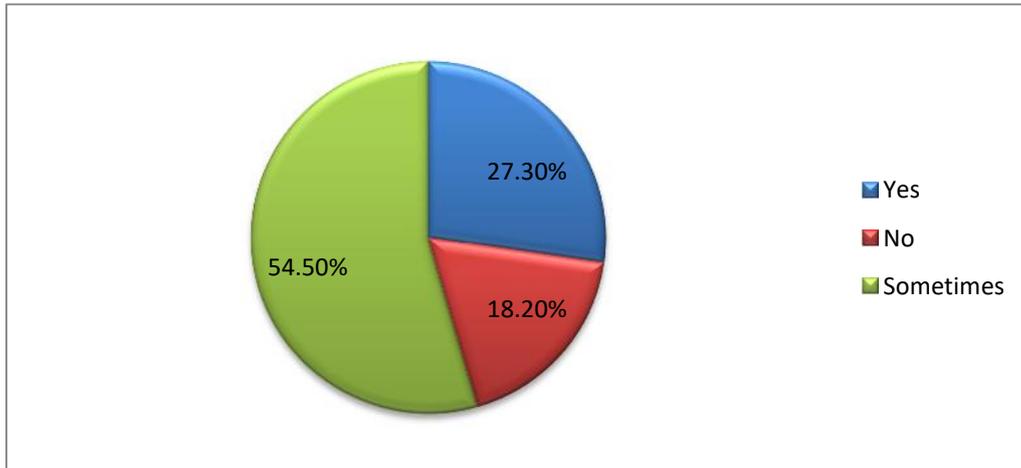
- J Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
- J Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
- J Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
- J A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Many regulatory guidelines were issued to accomplish this job. They are designed not only to curb businesses engaged in misleading advertising practices, but also to clarify the regulatory environment for companies and make it easier for the consumer to differentiate between products that are truly "green" and those that are not.

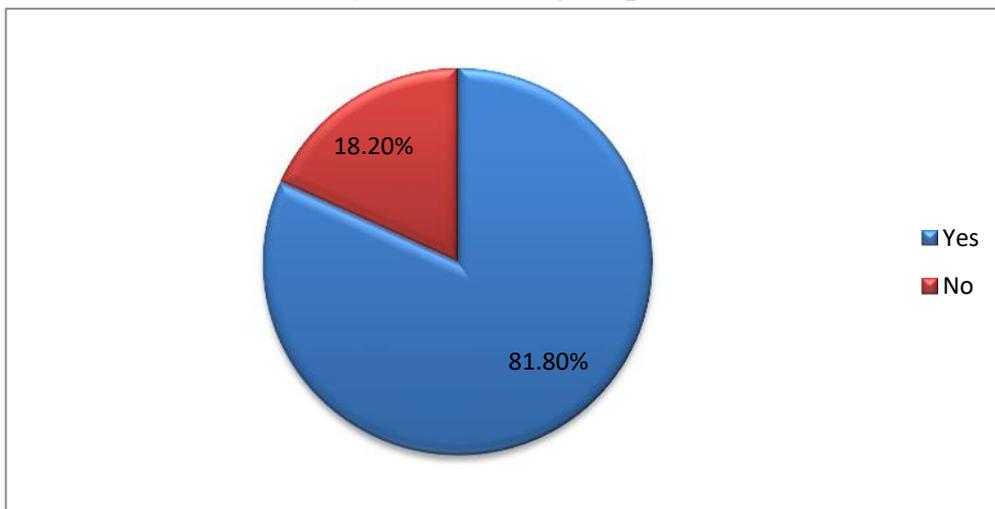
Findings and conclusions:

After analyzing the scope, opportunities and challenges of green marketing in detail, I have taken a sample survey for better understanding and clarity of the topic. Below are questions and responses of the sample group.

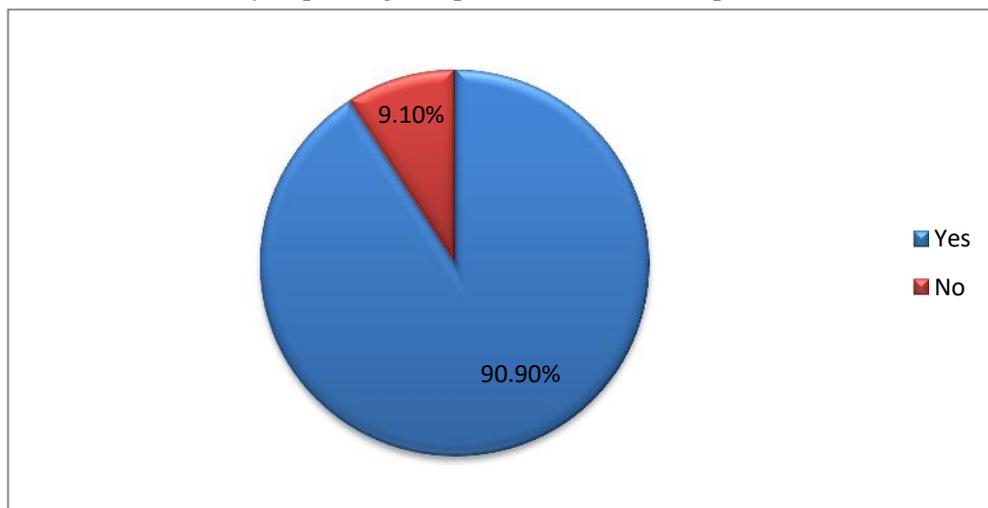
1. Do you select products as per its impact on environment?



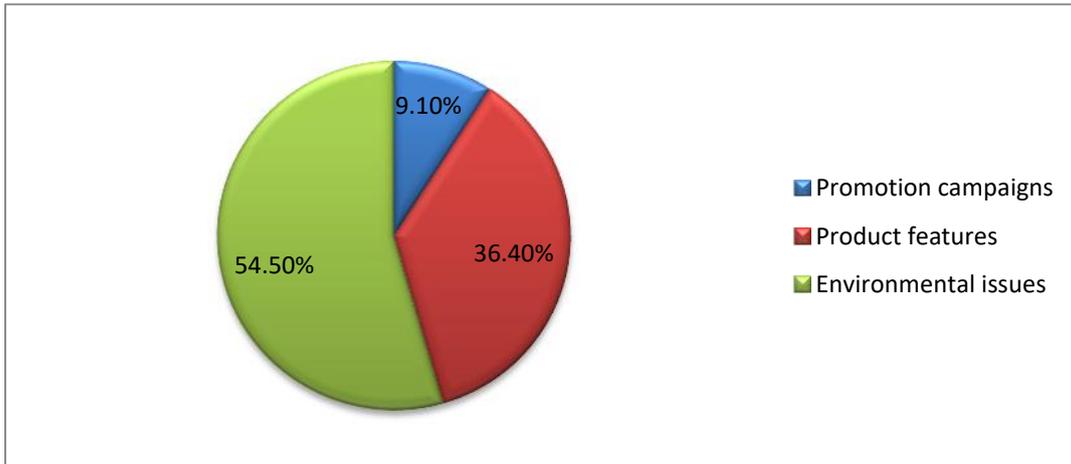
2. Are you aware about green products?



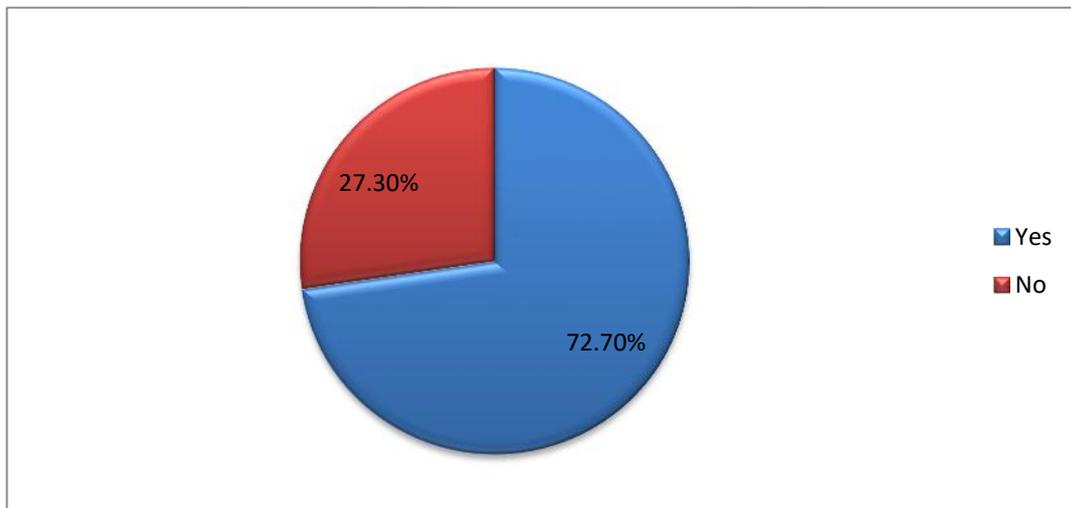
3. Do you prefer green products over normal products?



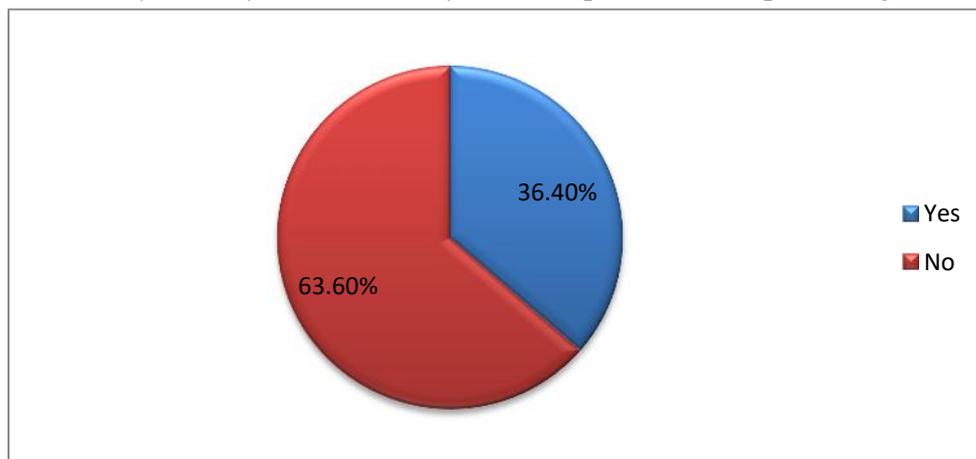
4. What makes you buy a green product?



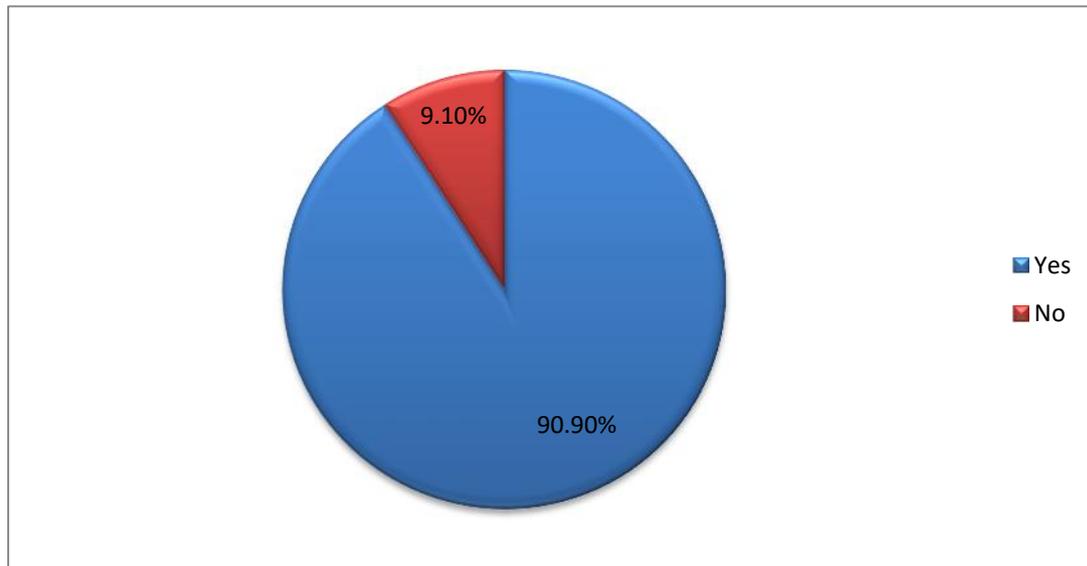
5. Are you willing to pay some extra amount for green products?



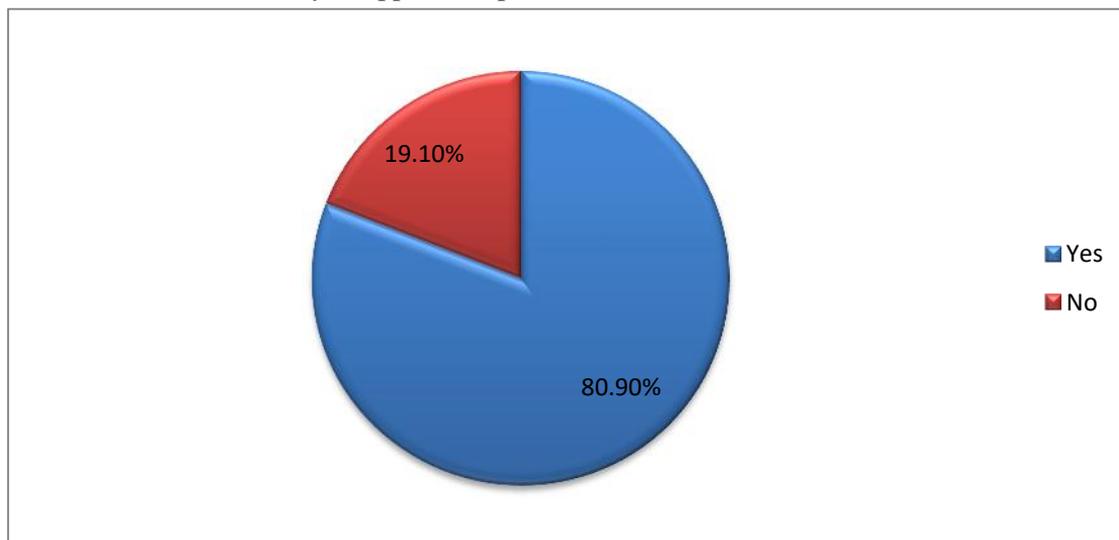
6. Do you verify the Eco-friendly claims of product before purchasing it?



7. Do you think adopting green products can prevent environmental degradation?



8. Do you oppose the products harmful to environment?



After analyzing the responses thoroughly, I observed following points:

1. More than **80%** of society is aware of green products and they prefer them over normal products.
2. **54%** of consumers are buying green products to curb the environmental complications and others i.e., **46%** is buying green product as per the product features and their promotion campaigns.
3. Even after knowing the benefits of green products, **27.3%** of consumers are unwilling to pay premium price which shows either their 'let go' attitude or less disposable income which is restricting them.
4. Consumers are not skeptical regarding the eco-friendly claims of brand because only **36.4%** people are verifying the claims before any purchase.
5. More than **50%** of respondents occasionally check product's impact on environment. This perhaps indicates that they are not fully dedicated towards sustainable development or less concerned about it.

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6. Only **10%** of consumers think that green products are not beneficial to curb environmental complications and they do not oppose products which are harmful to environment.

Suggestions:

1. Corporate world should associate with government and also organize awareness campaigns to promote green products among masses. Lack of awareness is the biggest roadblock in the scope of green marketing in India.
2. Green marketing should not be considered as just another approach to marketing. It has to be pursued with much greater enthusiasm as it has environmental and social impact. With various environmental concerns arises, it is important that green marketing becomes the norm rather an exception.
3. A company that doesn't sell eco-friendly products can start recycling and implement a waste management system. It can participate in local sustainable initiatives or go for eco-sponsoring to increase the awareness. Even by start carpooling to work will allow a company to stand out as a responsible company.
4. A regulatory body must be established in India to prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising. It will play a significant role in eliminating element of confusion from the minds of consumers. Government should provide basic subsidies to the firms to encourage them.

Conclusion:

Green marketing is beneficial for both firms as well as environment although it has its own certain drawbacks. Marketers should not just focus on its initial huge investment instead they should focus on brand's long term growth and future dividends. It definitely helps a firm in earning trust of consumers by satisfying their needs and serving environment simultaneously, which sets it apart from the crowd and strengthens their brand loyalty. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. Firms should promote about green products before adopting green marketing to raise the standard of awareness and convince consumers to pay more for "greener" prospect. Given the global challenges as we face today, any company that is making a positive impact needs to have a green marketing strategy. Consumers in India are not examining the product's impact on environment and do not verify their ecological claims which shows their negligence about the green products, because they are. The main challenge of green marketing in India is convincing a significant portion of consumers who refuse to pay premium price for green products. Green marketing is still a budding topic in Indian market and it will take time for society to accept it.

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