

# GREEN MARKETING IN INDIA – EMERGING POTENTIAL & THREATS

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*ABSTRACT - Green marketing is a phenomenon which has developed particular important in the modern market. The development of green marketing has opened the door of opportunity to new business phenomenon. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. Now a days businesses have increased their rate of targeting consumers who are concerned about the environment. This paper discusses what is mean by Green Marketing and its impact on consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies three particular segments of green consumers and explores the challenges and opportunities of green marketing and its Indian Scenario with future prospects. The paper also states golden rules of green marketing 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.*

*KEY WORDS - Green Market, Green Product, Green Price, Green Place, Green Promotion, Potentials, Threats*

## I. INTRODUCTION

The negative impact of human activities over environment is a matter of concern today. Governments all over the world making efforts to minimize human impact on environment. Today our society is more concerned with the natural environment. Understanding the society's new concerns businesses have begun to modify their behavior and have integrated environmental issues into organizational activities. Governments all over the world have become so concerned about green marketing that they have attempted to regulate them.

## II. DEFINITION

According to **American Marketing Association** - "**Green marketing** is the marketing of products that are presumed to be environmentally safe."

According to **Polonsky 1994 b, 2 - "Green or Environmental Marketing** consists of all activities designed 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.

Green Marketing incorporates broad range of activities including product modification, changes to the production process, packaging changes, and modifying advertising. Green marketing focuses on satisfaction of customer needs and wants with no or minimum harm to the natural environment.

Green marketing companies seek to go above and beyond traditional marketing by promoting environmental core values in the hope that consumers will associate these values with their company or brand. Engaging in these sustainable activities can lead to creating a new product line that caters to a new target market. Promotional activities aimed at taking advantage of the changing consumer attitudes toward a brand. These changes are increasingly being influenced by a firm's policies and practices that affect the quality of the environment, and reflect the level of its concern for the community. Other similar terms used are environmental marketing and ecological marketing. 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.

### III. NEED & IMPORTANCE

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non environmentally responsible alternatives. When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

1. Organizations perceives environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more responsible.
4. Competitors' environmental activities pressure firms to change their environmental marketing activities.
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

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 anthological 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.

### IV. GOLDEN RULES OF GREEN MARKETING

1. **Know you're Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers dint know what CFCswere.).
2. **Educating your customers:** Let people know you're doing doing to protect the environment, but a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.
3. **Genuineness& Transparency to the customer:** It shows that a) In reality you are actually practicing, what you claim to be doing in your green marketing campaign and b) your business policies are in lieu with whatever you are doing that's eco friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.
4. **Reassuring the Buyer:** The customers must be made to believe that the product being offered shall fulfill the objective or purpose for which it has been purchase i.e.no compromise in product quality in the name of the environment.
5. **Pricing for the customer:** The consumers can afford the premium and feel it's worth it, which is being charged for your product, as many environmentally preferable products cost more due to economies of scale and use of higher quality ingredients.
6. **Giving the customers an opportunity to participate:** Personalizing attention to

environment friendly actions, normally through letting the customer take part in positive environmental action, at same time keep in view the changed expectations of the customers. When companies come up with new innovations like eco friendly products, they can access new markets, enhance their market shares, and increase profits.

## V. OBJECTIVES OF THE STUDY

1. To consider the concept and importance of Green Marketing.
2. To study 4Ps of Green Marketing.
3. To discuss the Potential & Threats of green marketing
4. To study the present scenario and potential of Green marketing in India.

## VI. REVIEW OF LITERATURE

1. **Jain and Kaur (2006)**, studies depicts that all consumers are not always fervent and factual supporters of the protection of environment and certainly are not particularly influenced by the "green" marketing. However, they constitute a target group which can prove to be particularly profitable for the enterprises which will be activated in the sectors of production and disposal of friendly to the environment products
2. **Mishra (2010)**, Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the remarketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their

purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required.

3. **Dutta, B. (2009, January)** in his article on Green Marketing titled *Sustainable Green Marketing The New Imperative* published in Marketing Mastermind states that Green Marketing involves developing good quality products which can meet consumer needs and wants by focusing on the quality, performance, pricing and convenience in an environment-friendly way. Barkar is of the view that, Companies need to believe first that Green Marketing „can work□ and make diligent efforts to make necessary product improvements, which deliver performance, and are marketable and profitable.

4. **GREEN MARKETING IN INDIA Mrs. R. SUDHA** “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 the 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. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimizing the negative effects on the environment. Green marketing assumes even more importance and relevance in developing countries like India.

**The Four Ps of Green Marketing** Like conventional marketers, green marketers must address the Four Ps‘ in new perspective in view of changed scenario:

**Green Product-** Marketers wanting to exploit emerging green market either:

- Identify customers‘ environmental needs and develop products to address these needs; or
- Develop environmentally responsible products to have less impact than competitors.

- The increasingly wide variety of products on the market that support sustainable development and are good for the triple bottom line include:
  - Products made from recycled goods.
  - Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce environmental impact.
- Products with environmentally responsible packaging.
- Products with green labels, as long as they offer substantiation.
- Organic products — many consumers are prepared to pay a premium for organic products, which offer promise of quality.

#### **Green Price**

- Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value.
- This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.
- Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration.

#### **Green Place**

- The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.
- The choice of where and when to make a product available has a significant impact on the customers being attracted.
- Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them

broadly in the market place so they are not just appealing to a small green niche market.

#### **Green Promotion**

- Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.
- Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund.
- Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions.

#### VII. POTENTIAL (OPPORTUNITIES) IN GREEN MARKETING

- 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. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:
  - McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
  - Tuna manufacturers modified their fishing techniques because of the increased concern over
  - Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

#### VIII. THREATS IN GREEN MARKETING

1. **Need for Standardization:** It is found that lack of standardization to authenticate Green Marketing. 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.
  2. **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.
  3. **Long Term Investments and Perseverance:** 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. The investors need to view the environment as a major long-term investment opportunity
  4. **Avoiding Green Worthiness:** 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
  5. **Non Cooperation:** The firms practicing Green marketing have to strive hard in convincing the Take holders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.
  6. **Heavy Investment:** Green products require renewable and recyclable material, which is costly, requires a technology, which needs huge investment in R & D, Water treatment technology, which is too costly. Majority of the people are not aware of green products and their uses Majority of the consumers are not willing to pay a premium for green products
- IX. INITIATIVES TAKEN BY BUSINESS ORGANISATION AND GOVERNMENT AGENCIES FOR GREEN MARKETING IN INDIA – INDIA SCENIORO
- **GREEN IT PROJECT: STATE BANK OF INDIA (SBI)**  
By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow. SBI is also entered into green service known as “Green Channel Counter”. SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no cheques, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.
  - **LEAD FREE PAINTS: KANSAI NEROLAC LIMITED**  
Kansai Nerolac Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health education, community development and environment preservation. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The

hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

- **REVA ELECTRIC CAR: MAHINDRA & MAHINDRA LIMITED**

Mahindra Reva is the first –in-line of next generation global electric vehicles. Rapid urbanization rising fuel costs Pollution & congestion, Eco-conscious Cost-conscious, Tech savvy, small is big concept, the desire to strike a balance between sustainability and functionality. All these factors motivated Mahindra & Mahindra limited to produce its first electric car Reva. Consumer choice will increasingly be driven by how "clean" or green a vehicle is, from birth to use to disposal.. Large factories will be replaced by small, smart, flexible, low-cost manufacturing. Superior technology and enhanced features will increasingly become accessible to more and more consumers and "value-for-money" will become the chant by discerning consumers. Large change renewal energies will get rid of vicious circle of oil, making the purchase and use of such born green product cost effective. .

- **GOING GREEN MANTRA: TATA MOTORS LIMITED**

Tata Motors is setting up an Eco-friendly showroom using natural building material for its flooring and energy efficient lights. Tata Motors said the project is at a preliminary stage. The Indian Hotels Company, which runs the Taj chain, is in the process of creating Eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those. And when it comes to illumination, the rooms will have CFLs or LEDs.

- **WIND POWER: SUZLON ENERGY LIMITED**

Suzlon Energy Limited is the world's fourth largest wind-turbine maker and is among the

greenest and best companies in India. Tulsi and Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon's corporate building is the most energy-efficient building ever built in India.

- **COTTON TAGGING AND PAPER BAGS: ADDIDAS, REEBOK, PEPE ETC.**

As we are talking about green marketing and the initiatives taken for it we can see the changes in promotional activities of big brands like Adidas, Reebok, lotto, Nike, and many more who using paper bags, recyclable paper bags or eco friendly bags for packing their products. One more big change is noticed now a day's Tags on products made of plastic paper of or synthetics are being replaced by cotton tags. These small steps really have big impact on environment and mind of green customers as well.

- **SOLAR ENRGY: GUJARAT POWER CORPORATION LIMITED**

Gujarat Power Corporation Limited (GPCL) is the Nodal Agency for the development of "Solar Park" in Gujarat. Govt. of Gujarat is admired for taking bold and proactive initiative in the Projects of Renewable energy to harness Clean and Green Energy. GPCL commissioned, Asia's largest "Gujarat Solar Park" to mitigate impact of Climate Change and to protect environment for our future generation, making Solar Sector vibrant and viable not only in our Nation but also across the Globe. Showing Countries ranked according to their response level on Green Marketing:

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

(Source: Retrieved from [www.google.com](http://www.google.com))

## X. FUTURE SCENARIO OF GREEN MARKETING

There are many lessons 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”. Following are three important principles:

### 1. 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.

### 2. 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.

### 3. 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 friendly.

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