



## GREEN MARKETING IN INDIA: EMERGING OPPORTUNITIES AND CHALLENGES

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### Abstract

Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing 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. 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.

**Key Words:** - Green Product, Recyclable, Environmentally safe, eco friendly.

### Introduction

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them. One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. This paper attempts

- 1) To introduce the terms and concepts of green marketing.
- 2) To discuss why going green is important.
- 3) To know why the manufacturers and marketers launch eco-friendly products.
- 4) To examine some of the reason that organizations are adopting a green marketing philosophy.
- 5) To mention some of the problems with green marketing.

### Green Marketing

The concept of green marketing is the business practice that considers consumers concerns with regards to preservation and conservation of the natural environment (Coddington, 1993). Green marketing that has been previously and primarily focused on the ecological context has been shifted to more sustainability issues in the marketing efforts and main focus now is in socio-economic and environmental context. Whereas, green market is identified as a part of market segments based on the greenness of the consumer (Charter et al., 2002; Simintiras et al., 1994). Therefore, green marketing is now dealing with fair trade of socio-economical benefits as well as environmental responsibilities through the green business.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. "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.

## Characteristics of Green Products

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.

## Importance of Green Marketing

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.

## Challenges in Green Marketing

### 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 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.

### New Concept:-

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

### Patience and Perseverance:-

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

### 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.

## Green Marketing – Reasons for Adoption by the Firms

### Opportunity:-

In India, around 25 percent of the consumers prefer environmental-friendly products and appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. For Example the Surf Excel detergent which Saves water (advertised with the message—“do bucket paani roz bachana”) and the energy-saving LG consumer’s durables are examples of green marketing.

### 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. Firms in this situation can take two perspectives: 1) they can use the fact that they are environmentally responsible as a

marketing tool; or 2) they can become responsible without promoting this fact. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

An example of a firm that does not promote its environmental initiative is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

#### **Governmental Pressure: -**

Governmental regulations relating to environmental marketing are designed to protect consumers in several ways:

- 1) Reduce production of harmful goods or by-products;
- 2) Modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. These governmental regulations are designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curbside recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. 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 consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

#### **Competitive Pressure: -**

Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacturer stopped using driftnets, the others followed suit. Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

#### **Cost Reduction:-**

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes. Certain firms use green marketing to address cost/profit related issues.

### **Problems with Green Marketing**

1. The firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing.
2. 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.
3. 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.
4. The investors and corporate companies 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. The corporate should not expect huge benefit for implementing Green Marketing immediately.
5. Green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. If the green products are priced very high then again it will lose its market acceptability. (Marketing Myopia)

### **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 didn't know what CFCs

**2. EDUCATING YOUR CUSTOMERS:-** Isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also 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. BEING GENUINE & TRANSPARENT:-** means that a) you are actually doing what you claim to be doing in your green marketing campaign and b) the rest of your business policies are consistent with whatever you are doing that's environmentally 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. REASSURE THE BUYER:** - Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.

**5. CONSIDER YOUR PRICING:** - If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure those consumers can afford the premium and feel it's worth it.

**6. GIVING YOUR CUSTOMERS AN OPPORTUNITY TO PARTICIPATE:** - It means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

**7. THUS LEADING BRANDS SHOULD RECOGNIZE THAT CONSUMER EXPECTATIONS HAVE CHANGED:** - It is not enough for a company to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too.

## Conclusion

The Environmental problems in India are growing rapidly. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Environmental pollution is one of the most serious problems facing humanity and other life forms on our planet today. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution. Corporate should create the awareness among the consumers, what are the benefits of green as compared to non green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more

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