

**GREEN MARKETING AND INDIAN CONSUMER BEHAVIOUR**

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**ABSTRACT**

*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. There has been a change in consumer attitudes towards a green lifestyle. People are actively trying to reduce their impact on the environment. However, this is not widespread and is still evolving. Organizations and business however have seen this change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. The question we wanted to find a respond to where “Whether the purchasing behavior of consumers is affected if companies go green?”*

**Key Words**

Green Marketing, Consumer attitude, Green Products.

**1. Introduction**

Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution.

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.

### **Objective**

The main objective of this research paper is to how consumer behavior changes when company goes for green marketing. Is there nominal or huge behavior when a company introduces this concept?

### **GREEN MARKETING MIX PRODUCT**

Entrepreneurs wanting to exploit emerging green markets either: Identify customers' environmental needs and develop products to address these needs or will develop environmentally responsible products to have less impact than competitors.

### **PRICE**

Pricing is the critical element of the marketing mix. Most customers will only be 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 will be often be the deciding factor between products of equal value or quality.

Environmentally responsible products, however are often less expensive when product life cycle cost are taken into consideration, for example fuel-efficient vehicles, water efficient printing and non-hazardous products.

### **PLACE**

The choice of where and when to make products available will have significant impact on the customers you attract. 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 position them broadly in the market place so they are not just appealing to a small green niche market.

The location must also be consistent with the image you want to project and allow you to project your own image rather than being dominated or compromised by the image of venue. The location must differentiate you from the competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

### **PROMOTION**

Promoting products and services to target markets include paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communication 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 and promote their green commitments.

### **Green Marketing's Golden Rules**

1. Know you're Customer well in multi dimensions
2. Customer education and awareness
3. Being Genuine, original Transparent
4. Check Your Pricing strategy
5. Give a platform for customer an opportunity to participate
6. Changing demand and expectations of customer must be addressed
7. Be trust worthy to Buyer

### **Indian Companies and Green Marketing**

#### **Suzlon Energy**

The world's fourth largest wind-turbine maker is among the greenest and **best Indian companies** in India. Tulsi 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.



*Suzlon One Earth Global Headquarters in Pune - India's greenest building*  
<http://www.suzlon.com/careers/l2.aspx?l1=8&l2=39>

### ***ITC Limited***

ITC strengthened their commitment to green technologies by introducing 'ozone-treated elemental chlorine free' bleaching technology for the first time in India. The result is an entire new range of ***top green products and solutions***: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.



*ITC Paperkraft's premium range of eco-friendly business paper*

### **Oil and Natural Gas Company (ONGC)**

India's largest oil producer, ONGC, is all set to lead the list of top 10 green Indian companies with energy-efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

### **IndusInd Bank**

Green banking has been catching up as among the **top Indian green initiatives** ever since IndusInd opened the country's first solar-powered ATM and pioneered an eco-savvy change in the Indian banking sector. The bank is planning for more such initiatives in addressing the challenges of climate change.



*IndusInd's solar-powered ATM expects to save around 1,980 Kw of energy annually*

### **Green Marketing as a strategy for promoting products**

#### **1. More profits and business opportunities:**

Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. In some cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. In other cases firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production. ITC's Green Centre in Gurgaon, which US secretary of state Hillary Clinton called a "monument to the future" made her to articulate that if all new buildings were designed to the same standards as the ITC Green Center is, we could eventually cut global energy use and greenhouse pollution by more than 20%, and save money at the same time. The building has cut its water need by 40% by recycling and using rainwater that lands on it. By using bio-blocks in toilets, it saves 300 kilolitres of water every year. It has reduced its energy consumption by 51%.

#### **2. Increased Market Share and a Competitive advantage:**

It is increasingly evident that environmental innovation brings competitive advantage. Some companies like Fujitsu have gone on to make products designated as Super Green Products. They meet the preconditions for Green Products and are top class in terms of low energy consumption,

3R. The Japanese carmaker Toyota advertises its hybrid car PRIUS through Internet on the automobile sections of the popular portals by projecting itself as a green or environmental friendly car.

### 3. Better Products & Environmental sustainability:

From an organizations perspective, it is essential that the environmental issues are balanced with primary customer needs and are integrated into all aspects of product lifecycle and its marketing. Green products attract the costumers because they perceive it of high quality, low on the demands of energy, and non-toxic. Creating products that are more in sync with nature also allows us to personally contribute to environmental clean-up and help to secure a better future.

### 4. Corporate Social Responsibility or Corporate Sustainability Management?

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. Firms in this situation can take two perspectives. They can use the fact that they are environmentally responsible as a marketing tool or they can become responsible without promoting this fact. There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. An recent example is solid waste management by ITC Limited in India where it takes scrap & waste papers from houses, schools and other institutions, sends it to its recycle facility and hands over new notebooks or equivalent to the contributors.

## **Disadvantages for Corporate going green**

### **Conversion Expense**

It can be costly for a corporation to go green initially. For example, the switch to solar power will create the need to install solar panels at business facilities. The cost reductions in energy savings gained by going green are not always enough to offset the initial upfront conversion costs.

### **Costlier Products**

In some cases, the switch to using green materials can lead to more expensive products for consumers. According to Jon Kaplan, owner of Greenworks Cabinetry, a Florida company that manufactures eco-friendly furniture products, he must get many of his building materials from the West Coast and even Asia, which leads to higher prices for the consumer.

### **Lack of Support**

There can be an “entrenched bias” against companies that want to go green, as evidenced by some laws and regulations, according to Andrew Georgiadis, a South Florida green development expert. Georgiadis points to the fact that as of April 2010, fewer than 50 South Florida businesses have been able to obtain Leadership in Energy and Environmental Design certification, a system that verifies performance regarding the implementation of energy-saving measures.

### **Going Paperless**

For some companies, a common method of going green is to minimize or even eliminate the use of paper. This can pose some disadvantages. For example, if employees lose or experience the theft of laptop computers, sensitive information that would normally be kept in a locked paper file could fall into the wrong hands. If companies don't properly back up their computer files, a system crash could prove disastrous.

### **Customer Backlash**

Companies may intentionally or unintentionally make false claims regarding the environmental friendliness of their products, a process known as “green washing.” If consumers become aware that a company is engaging in green washing, the company may suffer harm to its credibility.

### **Green Marketing and India**

According to a survey conducted by BT-AC Nielsen ORG-MARG, Oil and petroleum sector is considered the greenest sector in India. ONGC is the greenest company followed by Reliance Industries.

India is a world leader in green IT potential. According to Global enterprise survey Indian respondents scored over respondents from 10 other countries in expecting to pay 5% or more for green technology if its benefits for the environment and return on investment (ROI) are proven.

### **Why Indian Consumer are different from consumers where Green market products are accepted**

- ✓ India is a cost driven market.
- ✓ Low level of awareness.
- ✓ Degree of New product acceptance.

- ✓ Less developed means of communication.
- ✓ Language barriers.
- ✓ Use of redundant technologies in most of the companies in India.

### **Conclusion**

Green marketing assumes even more importance and relevance in developing countries like India. The thing that remains to be seen is the importance green business has in India. Tackling mass poverty is the first thing that is happening, and it should be the first thing that the country emphasizes. India will be an economic powerhouse, and could be a leader in green business if they choose to be. The direction that business stakes in India will have massive impact on the world. If business leaders there recognize the vast potential that green business has, and then decide to invest time, money, and effort, the world would only benefit. India is in a very unique position right now, they could either lead the world, or potentially aid in its destruction.

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