



## GREEN MARKETING WITH SPECIAL REFERNCE TO INDIA

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### ABSTRACT

*The marketing of products which are safe for the environment is called green marketing. This paper presents an overview about the green marketing concept and explains the importance of going green for the people as well as for the environment, and also explains about the green marketing mix and the challenges in the implementation of this concept in India.*

**Keywords:** Green product, marketing environment, organic, eco labeling, green washing

### Introduction

In current scenario, due to increasing awareness about environmental protection among people, it is the need of the hour for the businesses to concern about environmental protection through green marketing. Some of the companies like Apple, HP, Intel, IBM, and Dell etc are already taking steps towards environmental protection in the form of corporate social responsibility but some do not. Green Marketing means marketing of goods which are not hazardous for the environment or are environmentally safe. Green marketing is the urgent need for those businesses which are directly dependent on environment. Changes in environment may cause threat to the business in different forms. To get rid of this or to minimize the effect of environment on firms and society as a whole green products are created to convert the market

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into green market. Now people are more concerned and start changing their behavioral patterns and lifestyle and start shifting though slowly towards green products.

## **CONCEPT OF GREEN MARKETING**

By American Marketing Association, "Green marketing is the advertising of products that are ventured to be ecologically sheltered, includes creating and promoting products and services that fulfill clients' need and requirement for Quality, Performance, Affordable Pricing and Convenience without detrimentally affecting the environment".

The concept of green marketing has been evolved in 1975 in a seminar held in Austin on Ecological marketing. It includes different type of activities like product modification, process modification, modification in packaging, new product creation etc to cope with environmental challenges.

The products created should be such which satisfy the needs and wants of consumers. The products if environment friendly but does not satisfy consumer wants and needs will be a big fail. Some of the examples of green products are organic pulses, paper bags, herbal products, energy saving equipments, CNG etc. With growing concern of global warming now days, green marketing takes into account holistic view of marketing with production, consumption of goods and disposal of waste in manner which is least harmful to the society.

## **WHY GO GREEN?**

By going green means adopting green marketing practices. Going green give companies incentives and growth opportunities and provide companies competitive edge in global market.

Initially it may cost more to the firm to adopt green marketing but it will pay that cost in the long run. For e.g. if a firm install solar power plants, it is costly initially but in long run it will lead to energy saving and less harm to environment.

Following are some of the benefits of going green:

- Firms have a moral obligation to be socially responsible.
- Around 26% people in India prefer Environment friendly products and 30-32% people are health conscious giving opportunity to the business to diversify to larger segment also.

- Now days companies have started realizing that they should behave in eco friendly manner in order to achieve long term objectives and to survive in this competitive world. According to companies act 2013, companies with net profit of 5 crores or more will have to spend 2% on corporate social responsibility.
- Government has framed different policies to reduce the production and usage of environmentally harmful products like ban on polythene bags, prohibition of smoking in public areas, use of CNG instead of diesel and petrol..
- Green marketing lead to substantial cost savings because firms develop interrelationship with each in which by product of one can be used by other as cost effective raw material which reduce the cost of storage of raw material.

### **CHALLENGES FACED BY GREEN MARKETING**

Although green marketing has been practiced by many firms now days but there is still a number of challenges faced by firms due to non acceptance of this concept by a large number of people. Following are some of the limitations of this concept :

- 1) **New concept:** Green marketing is a new concept due to which it has limited acceptability. Although young urban literates are aware about green products but they form a small portion of population. Since a large portion of Indian population live in rural areas, efforts must be made to educate these people and make them aware about the benefits of green products specially in todays world when deadly diseases like diabetes, cancer etc have been rising with a rapid pace.
- 2) **Cost considerations:** Introduction of green marketing involves a huge initial cost in installing facilities for producing green products and cost of convincing customers which will pass to final customers in the form of relatively high prices of green products. Majority of Customers are not willing to pay high prices which is a major limitation of this concept.
- 3) **Difficult to convince people:** Generally people do not trust in companies' green marketing strategies. They need to be convinced by adopting various measures like organizing publicity camps, offering free gift, offering initial discounts to gain trust of the people towards green marketing.

- 4) **Patience:** Since green marketing leads to very low profits in short term, firms need to be patient and frame long term policies because the benefits of being green will be realized in long term.

## **GREEN MARKETING MIX**

Like conventional marketing mix, which include 4 Ps (Price, place, promotion, and product) here in green marketing also we need to identify 4Ps of marketing as follows:

### **GREEN PRODUCT**

In green marketing businesses should identify the need of customers for environmental protection and develop those products which satisfy their need.

The products should be such which cause least harm to the environment.

A green product is the one which satisfy the following characteristics:

- I. Products with green labels on their packaging.
- II. Products which can be recycled and reused.
- III. Products made from recycling other products.
- IV. Energy saving products and equipments, products which save water, pollution free products. For eg LED bulbs are introduced which has no mercury which is harmful for the environment. Pollution free battery operated e-rickshaws are launched to reduce carbon emission.
- V. Organic products-which are grown without using fertilizers and pesticides .For eg now days there are many outlets of organic products like pulses, cereals, spices, tea etc.



- VI. Products with eco friendly packaging like various shopping outlets and food outlets like Mcdonalds are using paper bags instead of plastic bags.
- VII. Certified products meeting environmental standards. Examples of companies offering certified organic products are Tattva, 24 Mantra etc.



### **GREEN PRICE**

Another factor we need to decide is price. The price of green products is little bit higher but if we compare cost with benefits then they are quite less. Some people are ready to pay premium for quality who are known as **green customers** but they are less in number in country like India because others are either unaware about green products or are not ready to pay premium price. So the price of these green products should be such that is affordable to a large segment of people not only to niche segment. Green customers are the driving force of green marketing.

### **PLACE**

Next the entrepreneur needs to identify the place to sell the green product. Everyone is not willing to go too far off places to purchase the green product. The company should sell their products in the market which can be conveniently accessed by target customer. The place identified should be different from that of competitors. Different outlets should be opened at different convenient locations to create awareness about the green products.

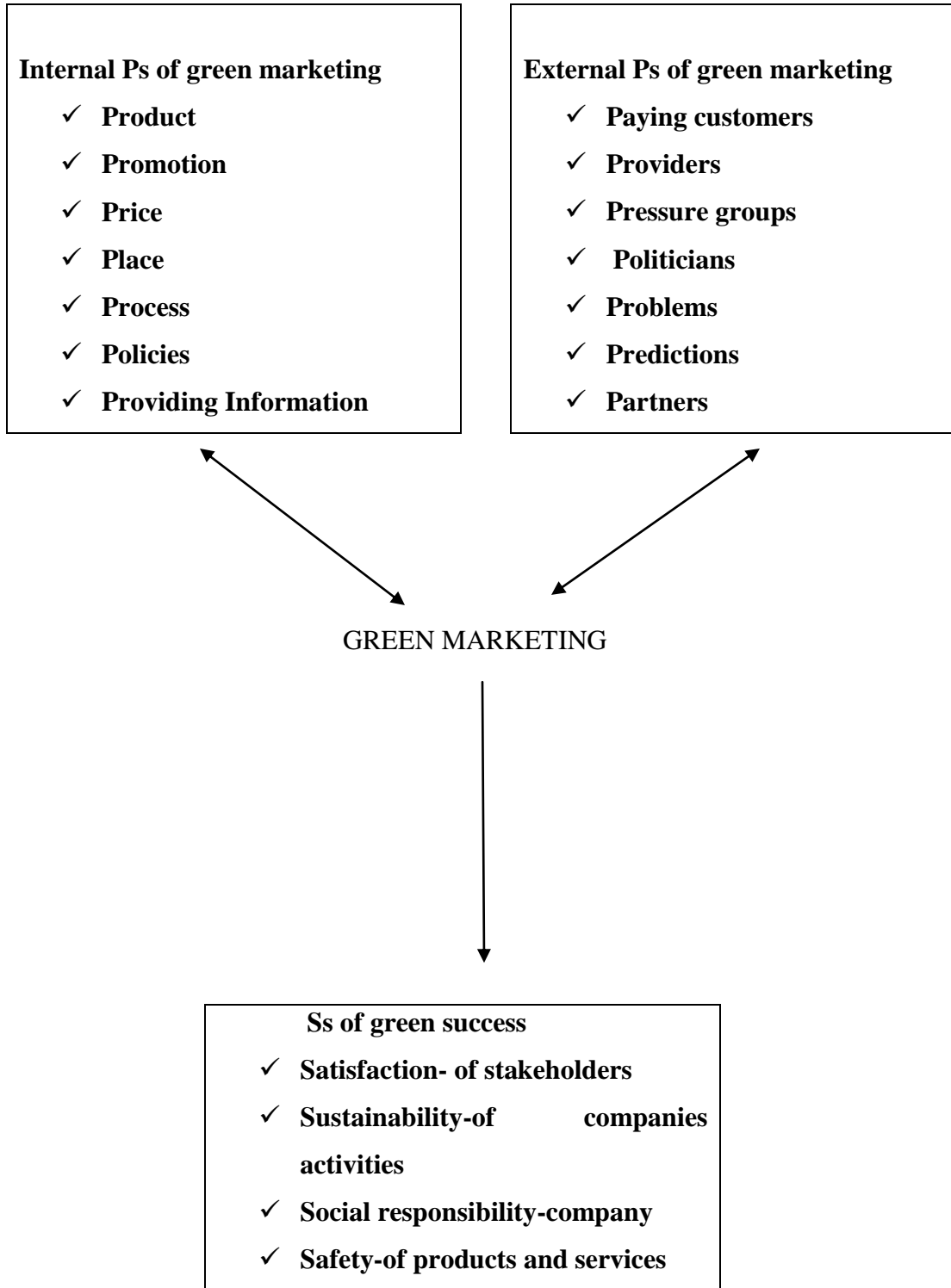
## **PROMOTION**

How to promote the green product is the next question? The company must promote the green product in such way that its awareness reaches the masses. There are different forms of promotion like advertisement, door to door promotion, campaigns etc. The firm should choose cost effective and affective method to promote the product. According to me, since green products are in its growing stage, there is a need to create more and more awareness which can be done by giving free samples, door to door selling, organizing campaigns, giving gifts in magazines, giving loyalty rewards etc. in order to create green marketing.

For eg when I enter Ritu wears mall I noticed the hoarding which says "Go green", Contribute Rs2 for small bag Rs5 for and Rs10 for large one. This fund will go for green marketing.

Shifting from paper to electronic devices is also promotion of green products.

## GREEN MARKETING MIX



In addition to 4 Ps of marketing mix, green marketing mix involves 3 other internal Ps- Policies, process, information and 7 External Ps. By following these Ps, the success of green marketing will automatically come in the form of 4S.

External Ps of green marketing

- ❖ **Paying customers-** What green products do customers need? What information they have about green products?
- ❖ **Providers-** Are the providers of services and materials of company green?
- ❖ **Pressure groups-** What types of groups are involve and what issues concern them?
- ❖ **Politicians-** Public awareness and concerns over environmental issues have strong influence on legislations and this affects the business practices.
- ❖ **Problems-** what environmental problems have been a concern for company?
- ❖ **Predictions-** What problems can be encountered in future? Some kind of scientific research is required?
- ❖ **Partners-** How business partners perceive our practices. Will they pose any problem for the company?



## DIFFERENT COMPANIES ADOPTING GREEN MARKETING STRATEGIES

S.No	Company Name	
1	<b>Philips</b>	Launched CFL( Compact fluorescent light) bulb, LED bulbs which have no mercury content in it which is a detrimental to the health of environment.
2	<b>LG</b>	Launched LED E60 and E90 monitors series which consumes 40% less electricity than traditional LCDs.
3	<b>Reliance</b>	Launch bio green waste digester which breaks down human waste effectively leaving a pleasant smell.
4	<b>ONGC</b>	Mokshada green cremation initiative of ONGC saves 60-70% of wood used for burning per cremation.
5	<b>Tata group of companies</b>	They are going to launch low cost water purifier made of natural and pure ingredients.
6	<b>IRCTC</b>	Indian Railways have launched E-ticket facility where customers no longer need to carry printed tickets instead what they need is just PNR No. in their mobiles or laptops.
7	<b>Nerolac</b>	Nerolac has removed hazardous elements like lead, mercury, chromium etc. which pose threat to human health and may damage human nervous system.
8	<b>ITC</b>	ITCs' green initiative of launching E-Choupal where computers with internet are installed in rural areas to directly with the rural farmers to procure their agricultural produce, to minimize the exploitation by intermediaries etc. Internet helps the farmers to procure information regarding latest technology in agriculture, latest prices of raw materials , and many other information.
9	<b>WIPRO</b>	Announced the launch of monitors free from deadly chemicals like PVC and BFRS.
10	<b>Mahindra and Mahindra ltd.</b>	Plans to launch sun powered electric car in India in 2013 called e2o which can run upto 100kms in one charge.It will run on lithium ion battery system. Then it replaced the two seater mini electric car called REVAI.

## **RANK OF DIFFERENT COUNTRIES IN TERMS OF GREEN MARKETING**

<b>1</b>	<b>INDIA</b>
<b>2</b>	<b>UK</b>
<b>3</b>	<b>USA</b>
<b>4</b>	<b>THAILAND</b>
<b>5</b>	<b>AUSTRALIA</b>
<b>6</b>	<b>CANADA</b>
<b>7</b>	<b>CHINA</b>

From the above analysis India ranks no.1 in terms of response to green marketing because more searches begin from India followed by UK.

State bank of India is the first to adopt paperless banking which reduces the need to use cheques , pay slips, withdrawal forms etc. and the transactions are done with the help of ATM CUM DEBIT cards. Move towards E-Banking is an initiative of green marketing.

### **IMPORTANT ISSUES IN GREEN MARKETING**

- **ECO-LABELLING**

In 1991, Government of India launched Eco label scheme to make consumers aware about products which are environmentally safe. The basic aim behind this is to ensure that consumers buy products which are less harmful for the environment. Eco label is the mark certified by impartial third party which is followed throughout the world. They generally appear on the packaging of the product. Germany is the first country to initiate ecological labeling.

- **Green washing**

Green washing means using green marketing to promote perception that company's products, policies, aims are eco friendly. The evidence that company is using green washing comes from the significant differences in spending on promoting green practices and spending on other environmental practices. Different ways of green washing includes change the name or

label of the product to invoke the feeling of being green even if it contains chemicals. Some critics say that green washing means marketing of environmentally harmful products as environmentally safe. It is just a window dressing.

## **RESEARCH METHODOLOGY**

Being an explanatory research, it is based on secondary data of journals, articles, newspaper and magazines. Considering the objectives of descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is extensively used for study.

## **LITERATURE REVIEW**

Anirban Sarkar(2012):- GREEN MARKETING AND SUSTAINABLE DEVELOPMENT- CHALLENGES AND OPPURTUNITIES CONCLUDED THAT:

Green marketing drastically change the world if all nations together contribute in an efficient manner. It further stated that marketer should not only convince the customer rather he must engage the customer and male him aware about the concept. Green marketing should not be a new concept to be introduced rather it should become a norm in every country.

Country like India is a highly polluted country, so promoting green marketing can help to combat this deadly problem. Industrial organizations should incorporate environment in their corporate culture and must behave in a socially responsible manner.

Prof. Jaya Tiwari- GREEN MARKETING IN INDIA: An Overview came up with the conclusion that:

Green marketing helps to protect the environment for generations to come. This concept is in infancy stage which may not prove effective in short run but definitely going to have a positive impact in long run. Now it's the high time to adopt green marketing globally. Recycling of papers, metals, plastics, etc in a safe and environmentally harmless manner should become more systematized and universal. Now customers are ready to pay premium p;rice for green products Green marketing requires that customers want a cleaner environment and are willing to pay for it.

Pallavi G.S & Srinivas K.R(2014)- A study on challenges of green marketing: present scenario: concluded that :

Green marketing has not developed much in India yet. It needs further more improvisation since it is at its infancy stage. Green marketing if adopted for long run can help the firms to reap more benefits because if it is followed for the short run, it may not provide much benefits as expected by the firms. The firms have to focus on educating the customers and allowing them to participate to ensure the effectiveness of green marketing. It considers the societal as well as environmental dimensions so it should not be considered as just the one more approach to marketing.

Vineet Kumar Dubey & Ms. Namita Gupta(2016): Role of Green Marketing in India: came up with the conclusion that:

The green marketing has both the social as well as environmental aspects to be considered so it is just not a mere approach to marketing. It becomes the responsibility of the marketers to make the customers aware about the green products and their benefits. Customers are even ready to pay higher price for the products if they are getting benefits in the form of clean and green environment.

## CONCLUSION

After writing this paper, I would like to conclude that the concept of green marketing in India is between introduction to growing stage. Although some measures have been taken towards green marketing but these efforts are not enough to evoke masses to follow green marketing. If we want to preserve the earth's natural and finite resources and wish to contribute to sustainable development then both marketers and customers in today's environment must focus on selling green products and services. However majority of customers are not willing to pay premium price for the green products because they do not understand the difference between green and non-green products due to which they are willing to repurchase these products again. To overcome the challenges faced by the firms and to achieve competitive advantage, firms must utilize the 4Ps of marketing appropriately. Today customers are also very much concerned about environmental issues and majority of people especially in

India are suffering from deadly diseases like diabetes, cancer, blood pressure, swine flu etc., people are willing to pay premium price only if they get something in return i.e. extra benefits. Keeping these issues and diseases in mind, the firms must modify their products to meet the requirements of changing environment for example adding sugar free products to product line, promoting organic products like brown rice etc. The firms should modify their products to appeal customers to purchase green products through better taste; visual appeal etc and the packaging material must also be environment friendly that will not harm the health of customers. Though it is not an easy exercise for the firms to go green and may be costly in short run but it may have multiplying benefits in long run in terms of good reputation of the firm, loyal customers etc. Firms must engage in market research before going green. Due to the threat of global warming green marketing must become a norm rather than a choice. The use of energy efficient electronic goods, recycled paper, metals should become universal. In order to be successful, marketers should not only convince customers to use green products and services but also engage them in marketing of such products through different loyalty programs, awards etc.

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