



A CONCEPTUAL STUDY OF GREEN MARKETING IN THE INDIAN CONTEXT

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Abstract: *Protection of environment is an issue of key concern today, world now moving forward with a common goal of protecting the environment and attaining the sustainable development. Green Marketing satisfies all human needs with minimal detrimental impact on the natural environment. Green marketing includes consumer goods, industrial goods as well as the service sector because manufacturing as well as the service sector both contribute towards the ecological imbalance and depletion of ozone layer. Business houses now rethink and plan their strategies in a more innovative and environmental friendly way. Green marketing is perceived as an opportunity by many business houses to achieve their long term goals. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packing changes and also modifying advertising. This paper attempts to discuss the subject of “concern for environment” in depth by examining the concept of green marketing, green marketing mix, rules for green marketing and various initiatives taken organization as well as the government in the Indian context. This paper also highlighted the future prospect of green marketing in India.*

Keywords: *Green marketing, Environment, Consumer, Industrial, Challenges, Initiatives.*

INTRODUCTION

Natural environment is the basis of all activity. Natural environment provides us with food, water and material for living. We should take utmost care to protect our environment. If we fail to manage the ecosystem our future generations will face severe imbalances in climate and availability of food, water and good air etc. The past decades have witnessed large scale industrialization and developmental activities which have provided all comfort and luxury to the human beings, but all this has done at the cost of environment. This in turn has resulted in deterioration of the environment due to the over exploitation of natural resources. Degradation of environment has raised many issues like pollution, global warming, desertification, acid rain and so forth. **Grunert (1993)** reported that 40% of the environmental degradation has been brought about by the consumption activities of all the private households. Various governments have implemented environmental laws for environment protection and are also providing subsidies on the environmental friendly



products. Considering the importance of environment, consumers around the globe also started showing concern for environment protection and stated avoiding the product that are harmful for the environment. Organizations are also adopting green practices and are also concerned to match with the legal framework of environmental regulation.

MEANING AND DEFINITION OF GREEN MARKETING

The terms like **“Green Marketing”**, **“Ecological Marketing”** and **“Environmental Marketing”** got attention and importance in the late 1980s and early 1990s. This happens because the American Marketing Association (AMA) conducted its first workshop **“Ecological Marketing”** in 1975. The proceedings of the workshop resulted in one of the first books on green marketing titled **“Ecological Marketing”**. **According to American Marketing Association (AMA) “Green Marketing is the marketing of products that are presumed to be environmentally safe”**. Green Marketing is not just one of the processes of marketing activities; it is a larger picture which talks about developing and sustaining consumer’s eco-friendly attitudes and behaviors. Basically it consists of all the activities designed to generate and facilitates any exchanges intended to satisfy all human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment.

STATEMENT OF THE PROBLEM

Man has unlimited wants and limited resources at his disposal. Due to the increased level of population, there is mass production of goods and services. Environmental issues all around the world have risen. The manufacturing concerns have to meet global demands with limited use of natural resources to protect the exhaustible resources. Though modification of business houses or changes in their production process towards Green Marketing may involve start-up cost but it will help them in the long run. For example a high investment is needed for solar energy projects but it will save money in the long run. Issues relating to **“concern for environment”** have risen all around the globe. Thus, there is a need to focus on the concept of **“Green Marketing”** today.

OBJECTIVES OF THE STUDY

- The objective of the present study is to analyze the concept of Green Marketing across the globe in general and with special reference to India.



- The paper identifies the phases of Green Marketing, Green Marketing mix, issues relating to Green Marketing, initiatives taken by government and organizations and its managerial implications.
- The paper suggests measures to increase the practice of Green Marketing.

METHODOLOGY

The study is based on secondary data literature review. With the help of literature review and research material the paper aims to understand the concept, need and importance of Green Marketing. The concept of Green Marketing through 7P's has been discussed with the help of examples.

LITERATURE REVIEW

In the words of **Peattie (1995)**, Green Marketing is “the holistic management process responsible for identifying and satisfying the requirement of customers and society in a profitable and sustainable way”.

Welford (1997) defined Green Marketing as the management process responsible for identifying, anticipating and satisfying the requirement of customers and society in a profitable and sustainable way.

Walker et al. (1998) observed the reduction of waste in input & output of production & its usefulness to the society.

Murugesan (2008) observed in his study “Green-Trust and Distrust” that “Green Marketing” is a combination of the “Social Marketing Concept” and the “Ecological Marketing Concept”. The concept of Green can be used in a broad range of activities – such as product modification, changes in production process, packaging changes, advertising strategies and promotional methods.

Mishra et al. (2010) traced three segments of Green Marketing of Green Consumers and explored the challenges and opportunities that businesses have to deal with in Green Marketing. The study highlighted the challenges of Green Marketing like involvement of green myopia, educating the customers and price factors etc. The study also suggested that firms should recognize green marketing as CSR. On the other hand, customers should prefer that products that are not harmful to the environment. The study traced the three important indicators for successful implementation of green marketing:

- 1) Consumer's value positioning;



- 2) Calibration of consumer's knowledge;
- 3) Credibility of the product claim.

EVOLUTION OF THE CONCEPT OF GREEN MARKETING

To evolve the concept of Green Marketing, **Peattie (2001)** has described three phases of Green Marketing. These phases are as follows:

1) THE FIRST PHASE – 'ECOLOGICAL' GREEN MARKETING:

This phase mainly focused on specific 'environment problems' such as air pollution, oil spills and synthetic DDT (Dichlorodiphenyltrichloroethane) and providing solutions to these environmental problems. The main focus of the first phase of Green Marketing was on those industries and products that have a direct impact on the environment (such as oil, mining, chemical industries etc.).

2) THE SECOND PHASE – 'ENVIRONMENTAL' GREEN MARKETING:

This phase involves the use of clean technology for designing innovative (new) products or production systems, which eliminate waste and pollution at the later stage. This phase focused on products which are generally used in homes (such as cleaning goods, white goods, carpets, paper etc.) along with services such as banking and tourism.

3) THE THIRD PHASE – 'SUSTAINABLE' GREEN MARKETING:

The marketing discipline is beginning to address green marketing not just in terms of reducing environment damage, but in pursuit of sustainability. Companies like IBM and McDonalds have used their bulk purchasing power to enforce their back supplier to improve their eco-performance at their own level and back it up with green audits.

GREEN MARKETING: RULES FOR SUCCESS

In an article, **Ottman (2008)** described the five simple rules for green marketing which the marketer should consider for the success of their green products:

- **Knowing The Customer:** To sell green products to consumers, the marketer must make sure that the consumers are aware and are concerned about the issues which are attempting to address (for e.g., consumers would not pay the premium prices for the CFC – free refrigerators until they did not know what CFC actually is and its impact on the environment). Hence, if consumers are not aware about the issue, the need to be informed about the issue first.



- **Empower Consumers:** Make sure that consumers feel that their buying behavior can make a difference; this is one of the main reasons why consumers buy green products.
- **Be Genuine and Transparent:** Marketers should be genuine and transparent about the specific environment friendly/green claims they make about their products and services. No false claims should be made about products and services.
- **Buyer Assurance:** Consumers need to believe that products which are bring Claimed as green products by the marketers must be able to meet the needs of consumers along with environmental benefits. Products and services claimed environmental benefits without meeting consumers' expectation may lead to failure.
- **Consider Your Pricing:** While charging premium prices for green products and services, the marketers need to make sure that consumer can afford the premium prices charged by them. The consumers need to feel that paying that much of a premium is worthy, as price is an important concern for employees.

THE GREEN MARKETING MIX

The concept of green marketing was introduced by Bradley (1989). Green marketing is an important tool which the marketers have been using for environmental sustainability. However, it has been emphasized that the green marketing mix needs to be studied in depth (Prakash, 2002; Polonsky & Rosenberger, 2011). Following are major areas of marketing mix that requires environmental touch-up.

TABLE1: CONCEPT OF PRODUCT MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
1.	Product	➤ Conversion of raw material into finished product.	<ul style="list-style-type: none"> ➤ Reused, Recycled products. ➤ Eco-Friendly products. ➤ Reduced Waste.
TABLE2: CONCEPT OF PRICE MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
2.	Price	➤ Expectation of high level of profit without considering environmental loss.	<ul style="list-style-type: none"> ➤ Environmental Safety. ➤ Price of product perceived to be high due to environmental benefits. ➤ Overall better performance.



TABLE3: CONCEPT OF PLACE MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
3.	Place	➤ Focus on physical distribution and channels of distribution.	<ul style="list-style-type: none"> ➤ Distributor and suppliers are environmentally clean. ➤ Managing logistics so as to minimize the emission on transportation.
TABLE4: CONCEPT OF PROMOTION MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
4.	Promotion	➤ Focusing on the aspect of gaining customers' acceptance through communication.	<ul style="list-style-type: none"> ➤ Product should be Eco-Friendly made with recycled material. ➤ Environmental responsibility and commitment should be part of the mission statement.
TABLE5: CONCEPT OF PACKAGING MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
5.	Packaging	<ul style="list-style-type: none"> ➤ Provides identification and protection to products. ➤ Designing and producing the container as a wrapper of the product. 	<ul style="list-style-type: none"> ➤ Use of paper packaging rather than polythene. ➤ Recycling the package material. ➤ Eco-friendly packaging material.
TABLE6: CONCEPT OF PUBLICITY MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
6.	Publicity.	➤ Focusing on maintaining favorable image of company through mass media that may be paid or non-paid.	<ul style="list-style-type: none"> ➤ Focusing on maintaining good and long term relations with customers. ➤ Image building exercise. ➤ Developing goodwill and favorable image of company by realizing social responsibility.
TABLE7: CONCEPT OF POST SALE SERVICE MIX IN GREEN MARKETING			
Sr.no.	7Ps	Marketing Concept	New Concept of Green Marketing
7.	Personal selling	➤ Oral presentation in conversation with one or more prospective buyers for the purpose of making sales.	<ul style="list-style-type: none"> ➤ Communicating consumers the product they bought is able to meet their needs along with environmental benefits. ➤ Making consumer feel that their buying behavior can make a difference when they buy green products.



THE INDIAN CONTEXT: INITIATIVES TAKEN BY THE GOVERNMENT AS WELL AS BY VARIOUS ORGANIZATIONS

Due to increase in eco-related issues like increase in the level of carbon-dioxide, greenhouse gases, global warming and mass scale damage to bio-diversity increased the concern for environmental protection. The need to change is just a fact realization. It's better to realize at the earliest. Due to these issues, the Indian governments as well as various organizations are taking green initiatives for environmental protection and sustainability.

GREEN INITIATIVES IN INDIA BY THE GOVERNMENT

The environmental problems like ozone depletion and global warming are not the concern for particular nation. Regulations should have to be made by all the countries. In India too, concern for the environment has considerably heightened in recent years, and this is evident from the increasing enactment of environmental legislations and judicial activism.

The following are the major initiative taken by the Indian Government:

- Under the Environmental (Protection) Act 1986, Government has prevented the use of plastic bags, smoking in public places.
- The Government of India launched an Eco-Mark scheme in 1991 to increase the consumer awareness towards environmental friendly products.
- The Government of India and its National Solar Mission set up 1100MW grid connected solar plants in March 2013 and set an ambitious target of deploying 20GW of grid connected solar power by 2022 (Goyal, 2014).
- In order to attract Foreign Investments in the renewable energy sector, the Government of India has allowed 100% FDI in this sector.
- To finance projects for energy efficiency and phasing out of ozone depleting, the Government initiated the Industrial Pollution Management Project.
- In order to save traditional fuels like coal and diesel, the Government is considering making renewable energy mandatory for special economic zones (SEZs) and is also proposing to convert SEZs into green hubs by 2017.(India and Sustainable Development).
- In January 2013, India entered into a partnership with World Bank to support programs relating to promotion of clean energy solutions. Various projects are



initiated in these campaign e.g. waste water systems, efficient water supply, to built fuel-efficient transport infrastructure and so forth.

- In the government's report of annual Indian economic survey 2011-2012, sustainable development and climate change was introduced for the first time, where lower-carbon sustainable growth was proposed as a central element of India's 12th five-year-plan (Patankar, 2012)
- The RBI has requested the Non Banking Financial Corporation's (NBFC's) to take initiative to increase the use of electronic payment systems.

GREEN INITIATIVES IN INDIA BY ORGANIZATIONS

The growing concern for the environment by every individual has opened a new road for the business to move on. Now business firms have started embracing what has come to be known as "corporate environmentalism"- green marketing facilities, processes and strategies. Business houses have come a long way from being simply 'business friendly' to becoming 'consumer friendly' and today becoming 'environmental friendly' too. Various initiatives have been taken by various organizations for adopting environmental friendly practices. Some of them are as follows:

- Philips has been showing a strong commitment for the environment and society by introducing compact fluorescent lamp (CFL) in its product section, which helped in saving a considerable amount of energy.
- National Delhi Transport Company (NDTC) has introduced CNG in private and public vehicles in New Delhi to protect the environment from growing vehicle pollution.
- The State Bank of India has revolutionized the green services by providing many services like paperless banking, no deposit slip, no withdrawal form, no cheques, no money transaction forms and all these services are provided through SBI shopping and ATM cards.
- Wipro has introduced eco-friendly desktops which were introduced under the Wipro Green Ware initiative, with an aim to cut down e-waste.
- MRF has introduced eco-friendly tubeless tyres MRF ZSLK which were made from unique silica based rubber components and promise to offer fuel efficiency for vehicle owners.



- P&G redesign their beauty pump package of their beauty product Olay, which reduces its plastic consumption and is 25% lighter than the earlier package.

SUGGESTIONS FOR BUILDING A GREEN FUTURE

Following are some suggestions for building a green future:

- Adoption of Green Marketing may not be easy in short run, but in long run it will definitely have good impact on the firm. So, organizations must have to adopt green practices that will give cost saving in future and drives revenue in the long run.
- Marketer should play an important role in educating the consumers and creating awareness about green products because the concept of green marketing is new to India.
- It is the duty of the companies not to mislead their customers in the name of green marketing.
- Promote the concept of zero paper consumption.
- Organizations need to be focus on both objectives i.e. environmental objectives as well as profit related objectives.
- The consumers needs to be educated about green marketing through awareness programs like seminars, symposiums etc.
- Environmental awareness programs should be started for the youth because they are the major consumers of FMCG's.
- Natural resources should be used judiciously.
- Alternative energy resources have to used e.g. solar energy, wind energy, geothermal energy, hydrogen, bio-fuel and ethanol.

MANAGERIAL IMPLICATIONS

This paper provides a lot of information on about the concept of Green Marketing, rules for Green Marketing, Green Marketing Mix and various initiatives taken by government as well as by organizations in this field. This study would help managers to gain insights into identifying the best practices that can be adopted for their organizations.

CONCLUSION

In order to improve the ecological system, active participation of all the players become very crucial otherwise future will bring more environmental issues. The government should actively frame policies to conserve the ecological system. The responsibility of protecting



the environment lays on both the groups- firms and consumers. So, the tool for protecting the environment is with us, it depends on us how we use this tool to conserve our ecosystem.

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