

## **Green Marketing: Challenges and Opportunities in India**

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### **Abstract**

Green marketing is a phenomenon, which has developed particular important in the modern market. In the emerging world, the concept of pollution free activity is given more importance in all the sectors and in all stages. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome some difficulties a new concept has born in the present globalized world where production, consumption and marketing of the products can be carried effectively ensuring environmental safety. This concept is named as ‘Green Marketing’. However, the question remains “how safe can it be in the Indian scenario?” since India is one of the fastest developing nations and utilization of resources has to be carried continuously in order to maintain trade balance, both internal and external. Hence, this paper highlights the concepts related to Green Marketing, why Green is important, why companies launch Green Products, who are concerned about the environment can be convinced and support their purchasing decisions. The paper explores the challenges and opportunities businesses have with green marketing. The paper also describe the reason why companies are adopting it and concludes that green marketing is something that will continuously grow in both practice and demand.

### **Green Marketing: Challenges and Opportunities in India**

The term Green Marketing came into prominence in the late 1980s and early 1990s. Other similar terms used are Environmental Marketing and Ecological Marketing. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". 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.

Thus, "Green Marketing" concept is realistic concept. It involves activities, which help in implementing & adopting such policies, programmes, & activities, which are helpful in safeguarding the environment. It also 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 aware to the need for switch in to green products and services.

### **The Green Consumer**

The green consumers are the driving forces behind the green marketing process. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country but country like Bangladesh and its organization has found that one out of every six consumer is green, but their environmental commitments vary because of their different standards, expectation from producers, demand and buying power.

### **Green Product**

Green product stresses the straight and tangible benefits provided by greener design, such as energy efficiency or recycled content, rather than stressing the environmental attributes. Reducing the environmental impact of a product improves the product's overall performance and quality in ways that are important, not just the most dedicated and loyal green consumer, but to all consumers. Therefore green product means any product, which is not hazardous for

environment and customer as well, and it also work as a future remedy of negative impact of a product.

### **Literature Review**

The first wave of green marketing occurred in the 1980s. The term green marketing came into prominence in the late 1980s and early 1990s.

According to **Peattie** (2001), there are three phases of green marketing evolution.

- Ecological green marketing
- Environmental green marketing
- Sustainable green marketing

**Pride and Ferrell** (1993) “**Green Marketing in India: Emerging Opportunities and Challenges**” also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

**Polonsky** (1994): defines green marketing as 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.

**Oyewole, P.** (2001): he defines a conceptual link among green marketing, environmental justice, and industrial ecology. He argues for greater awareness of environmental justice in the practice for green marketing. In his paper he identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

**Brahma, M. & Dande, R.** (2008), The Economic Times, Mumbai, had an article that stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

**Rathod** (2014) identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing.

## Objectives of the Study

- To provide and insight of the concept, need and importance of green marketing.
- To study the challenges and opportunities for green marketing in India.
- To study the initiatives taken by the Indian government and business houses.

## 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 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 labelling and licensing.

- **New Concept:**

Indian literate and urban consumer is getting more aware about the merits of Green products. However, 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 green in various aspects but does not pass the customer

satisfaction criteria. This will lead to green myopia. In addition, if the green products are priced very high then again it will lose its market acceptability.

- **Non-Cooperation:**

The firms committed to Green marketing have to make every effort to persuade the stakeholders and many a times they may fail to convince them about the long-term benefits of Green marketing as compared to short-term expenses.

- **Sustainability:**

When the company switches over to green marketing, the profits are very low since renewable and recyclable goods and green technologies are more costly. Therefore, the business plan has to be for long term rather than short term. The companies should also strive not to fall into the luring of unethical practices to make short-term gains.

- **Cost Factor:**

The green products are more expensive as a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs. Green marketing involves marketing of green products or services, green technology, green power/energy.

- **Convincing Customer:**

The customers may not believe in the firm's strategy of Green marketing, so the organisation should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labelling schemes.

In order to overcome the challenges, green marketing firms must do the following:

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration;
- Only use meaningful terms and pictures.

### **Opportunities: Green Marketing**

As evident from the available literature, most of the companies are venturing into green marketing because of the following reasons:

- **Opportunity:**

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Some examples of firms who strive to become more environmentally responsible; in an attempt to better satisfy their consumer needs are-

- McDonald has replaced its clamshell 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 driftnet fishing, and the resulting death of dolphins.
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

- **Social-Responsibly:**

Numerous companies have started realizing that they must behave in an environment-friendly fashion. For example,

- HSBC became the world's first bank to go carbon-neutral.
- Coca-Cola and Walt Disney World in Florida, US, have an extensive waste management program and infrastructure in place.

- **Government-Pressure:**

Governments want to "protect" consumer and society; this protection has significant green marketing implications. Therefore, the Indian government has developed a framework of legislations to reduce the production of harmful goods and by products to protect consumers and the society. For example, Ban of plastic bags, prohibition of smoking in public areas, etc. Reduce production of harmful goods or by-products. Modify consumer and industry's use and consumption of harmful goods Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Government formulates rules and regulations to control the amount of hazardous wastes produced by firms.

- **Competitive Pressure:**

To face the competitive market the companies are switching over to green marketing. For example, companies such as Body Shop and Green & Black have motivated their close competitors to follow them in green marketing. Cost-Reduction: Reducing of hazardous waste may lead to sizeable cost cutting. 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.

### **Problems with Green Marketing**

- 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.
- 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.
- Indian literate and urban consumer is getting more aware about the merits of Green products. However, it is still a new concept for the masses. The consumer needs to be educated and make aware of the environmental threats.
- 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.
- 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**

- **Know your 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 CFCs

- **Educating your customer** is not just a matter of letting people know you are doing whatever you are 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 is a case of "So what?" and your green marketing campaign goes nowhere.
- **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.
- **Reassure the Buyer:** Consumers must be made to believe that the product performs the job it is supposed to do-they will not forego product quality in the name of the environment.
- **Consider your pricing:** If you are 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 is worth it.
- **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.
- **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.

## **Conclusion**

With the ill effects of global warming, green marketing has become almost compulsory for all the organizations. It should not be a matter of choice to adapt to green marketing rather it should be compulsory for the consumers, industrial buyers and suppliers. Government should make the strict rules to save the world from pollution and its negative effects. Everybody should use energy efficient lamps and other electrical devices. It saves money, drives innovation for new product development, and builds brand value. Green marketing is more appropriate for countries, which are still developing, like India.



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