

Green Marketing and Its Impact in India

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ABSTRACT

This research paper deals with “Green Marketing and its Impact in India”. The paper is based on ‘Doctrinal Research Methodology’. This research paper emphasis that Green Marketing ensures the productivity, Marketing and consumption of products which ensures less harm to the environment. This research paper on Green Marketing is designed vividly with Green consumer, Green Marketing Mix, Eco- labels, Green wash provided with challenges of promoting Green Marketing in India. Green marketing is a relatively new concept in the Indian consumer market. It is worth noting that green marketing is not an easy undertaking. Hope, this paper ensures the concept that Consumers should also play a proactive role when it comes to ensuring corporations involved in the manufacture of consumer goods integrate environmental friendly production mechanisms.

KEYWORDS: GreenMarketing, Productivity, Consumers, consumption, Market, Environment, Friendly, proactive, Indian market.

INTRODUCTION

The definition of green marketing is broad and it covers every critical aspect of product development. Green marketing involves marketing environmentally friendly products to iconsumers (Bhatia & Jain, 2013).¹ Being a marketing concept, green marketing is inclined towards ensuring that the production, marketing and consumption of products is conducted in a manner that does not adversely affect the environment. Green marketing initiatives are undertaken so as to reduce the threat posed to the environment.

Accordingly, marketers and consumers alike have emphasised on the need to adopt environmentally friendly products. As such, the Green marketing approach has become

¹ Bhatia, M., & Jain, A. (2013). Green marketing: A study of consumer perception and preferences in India. *Electronic Green Journal*, 1(36).

popular based on the fact that it is deemed to be highly sustainable (Bhattacharya, 2011).² The primary objective of green marketing is to inform consumers that the products being marketed are environmentally friendly. Bhattacharya, (2011) notes that green marketing in major products is usually exhibited by the labels present in the products being marketed.

In the modern marketplace, the demand for environmentally friendly products has increased tremendously. This has prompted consumers to highlight the attributes of their products as well as introduce products designed to address the niche created by increased demand for environmentally friendly products. Additionally, green marketing campaigns are intended to show that companies have committed themselves to abiding by environmental standards (Cherian & Jacob, 2012).³ This is attributable to the fact that consumers are becoming increasingly conscious about the environment as they seek to become socially responsible. In this regard, consumers are making purchase decisions based on adherence to environmental values on the part of product manufacturers.

India is the global leader when it comes to green marketing. The region offers a significant destination of most products because of the sizeable consumer base, consumers prefer buying environmentally friendly products and have become increasingly conscious about their health (Datta, 2011).⁴ This aspect of the Indian consumer market has prompted green marketers to put in place elaborate measures aimed at catering for the needs of the sizeable consumer segment. Additionally, companies operating in the Indian market are required to exhibit a higher level of social responsibility (Ramakrishna, 2011).⁵ In order to live up to these expectations, companies are required to conduct their activities in a manner that is friendly to the environment. As such, most of the companies in the region work towards achieving environmental and profit objectives. This approach requires the companies to abide by the principle of extended producer responsibility.

Government policy has also played a significant role in enhancing green marketing initiatives. The government has been able to achieve this by developing a legal framework

² Bhattacharya, S. (2011). Consumer attitude towards green marketing in India. *IUP Journal of Marketing Management*, 10(4), 62.

³ Cherian, J., & Jacob, J. (2012). Green marketing: A study of consumers' attitude towards environment friendly products. *Asfan social science*, 8(12), 117.

⁴ Dahlstrom, R. (2010). *Green marketing management*. Nelson Education.

⁵ Datta, S. K. (2011). Pro-environmental concern influencing green buying: A study on Indian consumers. *International Journal of Business and management*, 6(6), 124.

intended to prevent the production of goods that will cause harm to the environment. This initiative reduces the production and consumption of goods that adversely affect the environment (Rahbar & Abdul Wahid, 2011).⁶ Companies utilising green marketing programs have gained a competitive edge in the Indian consumer market. In order to remain competitive many companies have turned to environmental marketing. This has in turn resulted in different industries modifying their production processes in an effort to ensure the products produced are friendly to the environment.

Cost reduction is another emerging trend in the Indian production sector. The reduction in cost has been directly linked to the decline in production of harmful waste. In certain instances the waste derived from production processes is used as a raw material in other industrial processes. This undertaking is friendly to the environment and it enhances green marketing initiatives in the long run.

THE GREEN CONSUMER

Green consumers are important players in the green marketing process. They play an integral role in increasing the demand for green products. An increase in demand for green products prompts product manufacturers to ensure the products manufactured are friendly to the environment (Ramakrishna, 2011).⁷ Green marketers are required to identify the different green consumers present in the market. In this respect, green marketing ensures consumers engage in consumption behaviours that exhibit a high level of social responsibility.

THE GREEN MARKETING MIX

A green marketing mix would actively enable companies to access new markets that were previously unexploited. For instance, such an initiative would increase the level of awareness about eco-friendly products among consumers in the market. The company will also record increases in sales volumes and profitability respectively. The green marketing mix is

⁶ Garg, A. (2015). Green marketing for sustainable development: an industry perspective. *Sustainable Development*, 23(5), 301-316.

⁷ Kangis, P. (1992). Concerns about green marketing. *International Journal of Wine Marketing*, 4(2), 21-24.

comprised of 4Ps. These Ps stand are Product, Price, Place and Promotion (Sharma & Bagoria, 2012).⁸

a) Green Product

In order to exploit the potential of the green market it is imperative that companies identify the customer's environmental needs. The efficiency of the product developed is assessed based on minimal environmental impact. The product development process is pegged on the integration of green chemistry (Garg, 2015).⁹ For instance, products can be developed from recyclable materials. The product should be packaged in an environmentally friendly manner. The primary responsibility of a marketer in product development is to ensure the product meets the needs of the targeted consumers (Singh, 2013).¹⁰ Organic products are known to fetch higher prices in the market since they are of high quality. In this respect, companies should ensure the products they manufacture are of high quality and that they meet the needs of the consumers.

b) Green Price

Pricing is an important aspect of the marketing mix employed by companies. In most instances customers will pay a premium price for a product if they are certain they will get value for their money. The value of a product is assessed based on its performance, function, design and its visual appeal. If a product possesses environmental benefits its value increases instantly. However from a pricing standpoint environmentally friendly products are cheaper.

c) Green Place

It is important that companies ensure their products are easily accessible. The ease of accessibility greatly impacts on the customer's perception on the product. Marketers should play a more proactive role when it comes to positioning the products in the market place. An

⁸ Khan, A. (2012). A to Z of Green Marketing in India. *International Journal and Information Technology*, 1.

⁹ Kumar, R. (2013). Green Marketing-A Brief Reference to India. *Asian Journal of Multidisciplinary Studies*, 1(4).

¹⁰ Manjunath, G., & Manjunath, D. (2013). Green marketing and its implementation in Indian business organizations.

effective positioning strategy will ensure the product is well received in the targeted niche market. The location chosen by the company must set it apart from its competitors.

d) Green Promotion

Product promotion is aimed at making the product popular among the target consumers. This undertaking would require the company to aggressively market and promote its products. The approaches used in product promotion include direct marketing, public relations coupled with on-site promotions. The primary objective of the green marketing drive is to enable the advertisers highlight the environmental credentials and credibility of the product they are selling. However, it is imperative that the advertisers use effective communication tools while undertaking this venture. Green marketing promotion is different from traditional marketing since it emphasizes on the products compatibility with the ecosystem (Talwar, Popli & Gupta, 2014).¹¹

Product promotion enables green marketers to attract more customers. This is attributable to the fact that product promotion activities are premised on the performance attributes of the product. For instance, purchasing an environmental friendly product results in cost savings. Additionally, green products are known to be healthy and friendly to the environment (Kumar, 2013).¹² The utilization of social networks in green marketing initiatives enhances the scope of consumer awareness in the different online platforms. There exists a social dimension to green marketing that requires input from the public. In order for the social marketing initiative to be effective it must appeal to a large segment of the targeted audience.

USE OF ECO- LABELS

Eco labelling is used to show that a product is fully compliant with environmental regulations. A product with an eco-label is considered to be environmental friendly. The concerned government agency is mandated to award manufacturers this label. In pursuance of this objective the Indian government launched an Eco mark scheme intended to increase the level of consumer awareness with respect to the existence of environmentally friendly

¹¹ Mishra, P., & Sharma, P. (2014). Green marketing: Challenges and opportunities for business. *BVIMR Management Edge*, 7(1).

¹² Rahbar, E., & Abdul Wahid, N. (2011). Investigation of green marketing tools' effect on consumers' purchase behavior. *Business strategy series*, 12(2), 73-83.

products. This scheme was introduced with the aim of encouraging consumers to purchase products that have minimal effects on the environment.

GREEN WASHING

Some companies take advantage of the fact that not all consumers are aware of green marketing initiatives and the existence of environmentally friendly products. These companies often make exaggerated claims aimed at passing off their products as environmentally friendly. This practice is referred to as green washing (Sudha, 2012).

GREEN PRODUCTS IN INDIA

Wipro Info tech was the first Indian company to launch green products in the Indian market. Samsung followed suit by launching eco-friendly mobile phones. These phones were made of renewable materials. The Oil and Natural Gas Corporation which is India's largest Oil Company has put in place elaborate measures aimed at increasing the efficiency at its Mokshada Green Crematorium (Tiwari, 2014).¹³

The Indian automobile manufacturer Reva pioneered the manufacture of electric vehicles in commercial quantities. The Indian banking sector has also incorporated measures aimed at ensuring its processes are friendly to the environment. For instance, the Indusland Bank installed a solar powered ATM and revolutionized the Indian banking sector by emphasizing the importance of environmental sensitivity.

Suzlon energy is another Indian company involved in the manufacture and marketing of wind turbines. Wind turbines are friendly to the environment. They are involved in the production of green energy. Green energy plays an instrumental role in the reduction of the global carbon footprint (Khan, 2012).¹⁴

BENEFITS OF GREEN MARKETING

Increase in environmental consciousness has prompted consumers to become socially responsible. It has become necessary for corporate organizations to meet the needs and

¹³ Ramakrishna, H. (2011). Green marketing in India: Some eco-issues. *Indian Journal of Marketing*, 42(11), 5-15.

¹⁴ Rathod, G. T. (2014). Green Marketing in India: Emerging Opportunities and Challenge. *Asian Journal of Management Sciences*, 2(03), 111-115.

aspirations of their customers by producing products that are friendly to the environment (Singh & Pandey, 2012).¹⁵ The benefits of green marketing include:

- It contributes to environmental conservation efforts
- It enables companies to access new markets and gain a strategic competitive advantage
- It ensures the company continues to enjoy sustained growth in the long term
- It is economical in the long run though initially costs are usually higher

CHALLENGES ENCOUNTERED IN GREEN MARKETING

There are numerous challenges encountered when engaging in green marketing initiatives. It therefore becomes necessary for business enterprises to overcome these challenges. Green marketing is a relatively new concept in the Indian consumer market. Therefore, Indians are only being enlightened on this new concept and advantages associated with the consumption of green products (Mishra & Sharma, 2014).¹⁶ Given that it is a new concept consumers need to be made aware of environmental threats associated with consumption of non-green products. However, reaching out to the masses is a time consuming undertaking and usually takes a lot of effort.

Green marketing is a capital intensive venture. It requires companies to actively market their products. Additionally, a lot of money is used in conducting research and development. The costs are further exacerbated by the need to promote the products in the consumer market. Convincing customers about the merits of green products is another challenge encountered by companies (Mishra & Sharma, 2014).¹⁷ In pursuit of this objective companies should integrate eco labelling schemes. This approach is intended to enlighten the customers about the merits of the products. Additionally, in other instances consumers may not be willing to spend more on green products.

The sustainability of green marketing initiatives cannot be established in the long run. This is attributable to the fact that the profits accrued after the sale of renewable and recycled products are significantly low whereas the green technologies used in the production of green

¹⁵ Sharma, S. C., & Bagoria, H. (2012). Green marketing: A gimmick or the real deal. *International Journal of Research in Finance and Marketing*, 2(2), 406-414.

¹⁶ Singh, G. (2013). Green: the new colour of marketing in India. *ASCI Journal of Management*, 42(2), 52-72.

¹⁷ Singh, P. B., & Pandey, K. K. (2012). Green marketing: policies and practices for sustainable development. *Integral Review*, 5(1), 22-30.

products are relatively expensive. In this respect, green marketing is only considered viable in the long term.

CONCLUSION

It is evident that green marketing plays an integral role in ensuring the environment is protected for future generations. However, it is worth noting that green marketing is not an easy undertaking. It requires firms to extensively plan and conduct extensive research on the viability of the green marketing initiative (Rathod, 2014).¹⁸ Given that green marketing is at its preliminary and infancy stages its adoption is likely to encounter challenges in the short run but it is bound to have a positive impact in the long term. Additionally, it is worth noting that there are a lot of opportunities for growth in the Indian market, other countries should borrow a leaf from the green marketing experience in India.

Adoption of green marketing initiatives by other countries would result in drastic environmental changes since instances of environmental pollution would reduce significantly. In order to ensure green marketing attains its objectives corporate organizations pursuing this objective should not only emphasize on the business perspective but also focus on the social dimension aspect of this initiative (Kangis, 1992).¹⁹ Additionally, with the increased threat of global warming business enterprises should prioritize green marketing initiatives by making it part and parcel of the organization's business practices. In pursuance of this objective, organizations should incorporate activities such as recycling. Recycled products are safe and friendly to the environment. Papers, metals and plastics are prime examples of products that can be recycled whenever it is deemed appropriate.

¹⁸ Sudha, R. (2012). Green marketing in India. *Namex International Journal of Management Research*, 2(1), 103-110.

¹⁹ Talwar, A., Popli, S., & Gupta, S. (2014). Rural marketing in India: Challenges and opportunities. *International Journal of Engineering and Computer Science*, 3(12).

Tiwari, J. (2014). Green marketing in India: An Overview. *IOSR Journal of Business and Management*, 1, 33-40.



Reception of green marketing in the Indian market has been relatively good. Consumers have displayed their willingness to pay premium prices for eco labelled products. The green marketing movement in India has been instrumental in influencing the change in consumer behavior and attitudes concerning green products (Dahlstrom, 2010).²⁰ Green products are safe and friendly to the environment. In order to guarantee the effectiveness of green marketing all companies involved in the supply chain should commit themselves to a high level of environmental responsibility. Consumers should also play a proactive role when it comes to ensuring corporations involved in the manufacture of consumer goods integrate environmental friendly production mechanisms.

²⁰ Tiwari, J. (2014). Green marketing in India: An Overview. IOSR Journal of Business and Management, 1, 33-40.



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