

**GREEN MARKETING IN INDIA: OPPORTUNITIES AND CHALLENGE**

**Mr. Abhinandan**

Research Scholar in Mangalore University, Mangalagangothri

**ABSTRACT**

*My interest is the future, because I am going to spend the rest of my life there.*

**- Charles F. Kettering**

Green marketing is the marketing of products presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including Product modification, Changes to production process, Packaging changes and modifying advertising. Ultimately it looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and organization as well as achieving the sales objectives of the organization. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. Green marketing is a tool used by many companies in various industries to follow this trend. All most all the governments around the world have concerned about green marketing activities that they have attempted to regulate them. There has been little attempt to academically examine environmental or green marketing. This paper tries to introduce the terms and concepts of green marketing, briefly discuss why going green is important and various challenges and opportunities associated with it. 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.

**KEYWORDS: Green Marketing, Importance, Challenge, Opportunities**

## **INTRODUCTION**

While globalization process continues in its full speed across the world, this process has also brought some problems with it. Leading one of these problems is environmental problems that affect all living beings negatively. These aforementioned environmental problems have started to come to the agenda more and more in the recent years and people have started to talk negativities. Consumers now have worries about the future of the world and as results of this mostly prefer environment friendly products. In return to these attitudes of the consumers, companies have started to form their marketing strategies so as to appeal increasing awareness of this environment-friendliness. These marketing strategies, named as green marketing. Green Marketing also known as ecological marketing or environmental marketing has become a vital topic in today's fastest growing world.

Companies all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Marketers are taking the cue and are going green. Thus there is growing interest among the consumers all over the world regarding protection of environment in which they live. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

## **OBJECTIVES OF THE STUDY**

1. To consider the concept of green marketing.
2. To know the importance of green marketing.
3. To examine the challenges and opportunities for green marketing.
4. To study the initiatives taken by the Indian government and business houses.

## **LITERATURE REVIEW**

**Pride and Ferrell (1993)** Green marketing, 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.

**Elkington (1994: 93)** defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary

waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

### **GREEN MARKETING MEANING**

It refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and/or Packaged in an environmentally friendly way.

As per Mr. J. Polonsky, Green Marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment.

"Green Marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment".

### **DIFFERENT PHASES OF GREEN MARKETING**

The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. **First phase** was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. **Second phase** was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. **Third phase** was "Sustainable" green marketing.

### **NEED OF GREEN MARKETING**

The subject of green marketing is vast, having important implications for business strategy and public policy. Clearly, green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997). Green marketing also ties closely with issues of industrial ecology and environmental sustainability such as extended producers liability, life-cycle analysis, material use and resource flows, and eco-efficiency.

In the present state of affairs, the prime focus now-a-days is to keep the customers as well as consumers in fold and even keep our natural environment safe – which is the biggest need of the time. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. Companies may lose many trustworthy and profitable clients due to absence of green management. In today's pioneering industry of high technology due to growing community and

consumer interests in green and socially responsible products, increased community pressure on companies to internalize externalities, such as health issues, neighbourhood amenity, climate change; environmental and governmental legalizations and initiatives; innovative technologies and approaches of dealing with pollution, improved resource and energy efficiency, and to retain old (loyal and profitable) customers and consumers, it is very much urgent to implement green marketing. As a consequence, green management provides new environment friendly customers which lead to increase in sales and profits of an organization that further leads to expansion and growth of business. This enhances the public image of the company.

There are many misconceptions about Green Products that hurt the hopes for green products like that “such products are of lower quality or don't really deliver on their environmental promises (Bloom, 2004, p. 79). It is known all over the world that people are concerned about the environment and are changing their behaviour.

Various regulatory bodies and acts are set to ensure environmental safety and protection, some of which include, OSHA (Occupational Safety and health Act), CERCLA (Comprehensive environmental Respond Compensation liability Act), TSCA (Toxic Substance Control Act), HMTA (the Hazardous Material Transportation Act), FIFRA (Federal Insecticide, Fungicide and Rodenticide Act), FFDC (Federal food, Drug and Cosmetic Act, Clean Air Act, Clean Water Act, GHS (Globally Harmonized System of Classification and labeling of Chemicals).

Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. The studies show the links between air pollutants and low birth weight, premature birth, still birth and infant death. As resources are limited and human wants are

Unlimited, it is important for the marketers to fully utilize the resources to achieve the organizational objectives. There is increasing interest among the consumers across the globe on the subject of protection of environment. Hence, green marketing is unavoidable. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

## **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 labeling 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.

#### **OPPORTUNITIES**

As demands change, many firms see these changes as an opportunity to be exploited and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to come more environmentally responsible, in an attempt to better satisfy their consumer needs are:

- ✚ McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
- ✚ The Surf Excel detergent which saves water (advertised with the message—"do bucket paani roz bachana").
- ✚ The energy-saving LG consumer's durables are examples of green marketing.
- ✚ We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal. In India, the green building movement, spearheaded by the Confederation of Indian industry (CII) -Godrej Green business Center, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.
- ✚ Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.
- ✚ Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins.

#### **SOCIAL-RESPONSIBILITY**

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.

#### **GOVERNMENTAL-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 at large.

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.

### **INDIAN COMPANY INICIATIVES TAKEN BY BUSINESS ORGANISATION AND GOVERNMENT AGENCIES FOR GREEN MARKETING IN INDIA**

Interestingly, green marketing continues to be an issue of 5 global interests. In fact, Google Trends reports that, on a relative basis, more searches for “green marketing” originated from India than from any other country.

Rank	Country
1.	India
2.	UK
3.	US
4.	Thailand
5.	Australia
6.	Canada
7.	China

Many companies are adopting green for capturing market opportunity of green marketing some cases:

#### **EXAMPLE 1: BEST GREEN IT PROJECT: STATE BANK OF INDIA: GREEN IT@SBI**

By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow.

SBI is also entered into green service known as “Green Channel Counter”. SBI is providing many

services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions: The State Bank of India became the first Indian bank to harness wind energy through a 15-megawatt wind farm developed by Suzlon Energy. The wind farm located in Coimbatore uses 10 Suzlon wind turbines, each with a capacity of 1.5 MW. The wind farm is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

#### **EXAMPLE 2: LEAD FREE PAINTS FROM KANSAI NEROLAC**

Kansai Nerolac Paints Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health, education, community development and environment preservation.

Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

#### **EXAMPLE 3: INDIAN OIL'S GREEN AGENDA GREEN INITIATIVES**

1. Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.
2. Indian Oil has invested about Rs. 7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
3. Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
4. Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.
5. The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lube formulations.
6. The Centre has been certified under ISO-14000:1996 for environment management systems.

**EXAMPLE 4: INDIA'S 1ST GREEN STADIUM**

The Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. It was jointly dedicated by Union Sports Minister MS Gill and Chief Minister Sheila Dikshit on Friday.

Dikshit said that the stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials.

**EXAMPLE 5: ECO-FRIENDLY RICKSHAWS BEFORE CWG**

Chief minister Shiela Dikshit launched on Tuesday a battery operated rickshaw, "E-rick", sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Commonwealth Games.

**EXAMPLE 6: WIPRO GREEN IT**

Wipro can do for you in your quest for a sustainable tomorrow - reduce costs, reduce your carbon footprints and become more efficient - all while saving the environment.

**WIPRO'S GREEN MACHINES (IN INDIA ONLY)**

Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Greenware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

**EXAMPLE 7: AGARTALA TO BE INDIA'S FIRST GREEN CITY**

Tripura Sunday announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital "India's first green city".

Tripura Natural Gas Co Ltd (TNGCL), a joint venture of the Gas Authority of India Ltd (GAIL) and the Tripura and Assam governments, has undertaken a project to supply CNG to all private and government vehicles. CNG will also be available to those now using electricity, petrol and diesel to run various machineries.

TNGCL chairman Pabitra Kar told reporters. He said: "The Company will soon provide PNG connections to 10,000 new domestic consumers in the city and outskirts. Agartala will be the first city in India within the next three years to become a green city.

#### **EXAMPLE 8: GOING GREEN: TATA'S NEW MANTRA**

The ideal global benchmark though is 1.5. Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights. Tata Motors said the project is at a preliminary stage.

The Indian Hotels Company, which runs the Taj chain, is in the process of creating eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those. And when it comes to illumination, the rooms will have CFLs or LEDs. About 5% of the total rooms at a Taj hotel would sport a chic eco-room design. One of the most interesting innovations has come in the form of a biogas-based power plant at Taj Green Cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements. Another eco-friendly consumer product that is in the works is Indica EV, an electric car that will run on polymer lithium ion batteries. Tata Motors plans to introduce the Indica EV in select European markets this year.

#### **CONCLUSION**

Now this is the right time to select "Green Marketing" globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing requires that consumers "Think Green, Think Eco-friendly" i.e. they want a cleaner environment and are willing to "Pay" for it, possibly through higher priced goods, modified individual life styles, or even Government intervention. Green marketing assumes even more importance and relevance in developing countries like India to realize the concept of make in India.

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