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## **GREEN MARKETING – A CONCEPTUAL STUDY**

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### **Abstract**

Green Marketing has emerged as a pivotal phenomenon in the contemporary era, representing a crucial strategy for sustainable development. The heightened global awareness of environmental issues has led consumers to express increasing concerns about ecological matters. This paper places a primary focus on elucidating the concepts, needs, importance, and challenges inherent in Green Marketing. A comprehensive understanding of the significance of Green Marketing is pursued through the collection of data from diverse sources, including books, journals, websites, and newspapers. The core objective is to delve into the essence of Green Marketing examining what it truly entails and how businesses can bolster their competitiveness by implementing Green Marketing campaigns, thereby securing a distinct advantage over their counterparts. The exploration extends to discern the primary motivations behind Green Marketing. This paper also provides an insightful overview of the current status of Green Marketing in India, offering a glimpse into its future trajectory. In conclusion, it is asserted that Green Marketing is not merely a contemporary trend but a growing practice and demand that will persist over time.

Keywords: Green marketing, Green Marketing Mix, Sustainable Marketing.

### **1. Introduction**

As the process of globalization unfolds worldwide, environmental challenges are on the rise. Despite the pervasive influence of environmental issues on all human activities, only a few academic disciplines have incorporated ecological concerns into their literature. With an increasing societal focus on the natural environment, businesses are adapting their practices to address these new concerns. The term "Green Marketing" gained prominence in the late 1980s and early 1990s, drawing attention due to the inaugural workshop on ecological



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marketing organized in 1975 by the American Marketing Association in Texas, USA. This workshop's proceedings culminated in one of the pioneering books on Green Marketing, titled "Ecological Marketing" by Henion and Kinnear in 1976. According to the American Marketing Association, Green Marketing involves the promotion of products presumed to be environmentally safe.

## **2. Study's Purpose and methodology**

This paper is an attempt to understand the concepts and terms related to Green Marketing. The research is exploratory in nature with data gathered from a variety of secondary sources such as newspapers, journals and websites. The Study's goal is to:

### **Study's Goal is to**

1. To explore the Concept of Green Marketing
2. To understand the Evolution of Green Marketing
3. To explore the Green Marketing Mix
4. To investigate the challenges Faced by Green Marketing

## **3. Need of the study**

Our world faces a multitude of challenges, with issues such as air and water pollution, food wastage, plastic contamination, and extensive deforestation posing significant threats. The widespread use of industrially produced chemicals only compounds these problems. In light of these environmental concerns, an increasing number of companies are considering a shift toward more sustainable and environmentally friendly manufacturing practices. Moreover, growing ecological awareness among consumers has led to a greater willingness to support products that prioritize environmental considerations, even if they come with a higher price tag. Many brands are now realigning their production processes to demonstrate a commitment to environmental responsibility, acknowledging their role as custodians of the planet and responding to the preferences of their customers.



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The adoption of eco-friendly marketing strategies spans every aspect of a business, ranging from the use of sustainable packaging to thoughtful public relations efforts. This concerted push towards green marketing not only positively affects human health but also contributes to the overall health of the environment.

#### **4. Definition of Green Marketing**

Green Marketing encompasses a diverse array of activities, including product modification, alterations to the production process, changes in packaging, and adjustments to advertising. However, providing a concise definition of Green Marketing proves to be a complex task. Indeed, the terminology employed in this domain is varied, encompassing Green Marketing, Environmental Marketing, and Ecological Marketing.

According to the American Marketing Association (AMA), Green Marketing is defined as the marketing of products presumed to be environmentally safe.

#### **5. Additional perspectives on Green Marketing include**

**Pride & Ferrel (1993)<sup>1</sup>:** Green Marketing, also known as Environmental Marketing and Sustainable Marketing, pertains to an organization's endeavors in designing, promoting, pricing, and distributing products with a commitment to not causing harm to the environment.

**Polonsky (1994)<sup>2</sup>:** Green Marketing is characterized as all activities crafted to generate and facilitate exchanges aimed at fulfilling human needs or wants. The satisfaction of these needs and wants is achieved with minimal detrimental effects on the natural environment.

**Peattie (1995)<sup>3</sup>:** Green Marketing is defined as the holistic management process responsible for identifying, anticipating, and satisfying the needs of customers and society in a profitable and sustainable manner.

#### **6. Evolution of Green Marketing**

Green Marketing has evolved through three phases as described by the Peattie (2001). The concept of green marketing was initially introduced during a seminar on "Ecological Marketing" hosted by the American Marketing Association (AMA) in 1975, swiftly integrating into marketing terminology. According to Peattie (2001), the evolution of green marketing can be delineated into three stages<sup>4</sup>:



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- The first stage, termed "Ecological" green marketing, centered on marketing activities that aimed to contribute to environmental causes and provide solutions to related issues.
  - The second stage marked the era of "Environmental" Green Marketing, where the focus shifted towards clean technology. This phase involved the development of innovative products designed to address pollution and waste challenges.
  - The third stage, known as "Sustainable" Green Marketing, emerged in the late 1990s and early 2000s. This phase concentrated on creating products that met the criteria of quality, performance, cost, and convenience while remaining environmentally friendly.

## 7. Why Green Marketing is important?

Probable theories are as follows:

- 1) Businesses believe that being more socially responsible is something they owe to society.
- 2) Businesses are being pressured by government bodies to become more accountable.
- 3) Competitors' environmental marketing actions force corporations to change their own.
- 4) Cost factors associated with waste disposal or reduced material utilization force enterprises to adjust their behaviour.

## 8. Drivers behind the adoption of Green Marketing

1. **Governmental Influence:** Governments, in their role of safeguarding consumers and society, impose environmental marketing regulations. These regulations aim to:
  - a) Minimize the production of harmful goods or byproducts.
  - b) Alter the consumption patterns of hazardous items by consumers and industries.
  - c) Ensure that consumers can assess the environmental impact of products. Governments implement restrictions to curb the generation of hazardous waste by businesses.
2. **Competitive Dynamics:** The desire to maintain a competitive edge is a significant impetus for businesses engaging in environmental marketing. The sight of competitors promoting their environmental practices often leads other businesses to emulate them. In some instances, competitive pressure induces entire industries to alter their environmental practices collectively, reducing their overall environmental impact. For instance, Xerox's introduction



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of "Revive 100 percent Recycled paper" was a response to the introduction of recycled photocopier paper by other manufacturers<sup>5</sup>.

3. **Economic Considerations:**Green marketing is employed by businesses to address economic challenges. The disposal of environmentally harmful by-products, like polychlorinated biphenyl (PCB) polluted oil, is becoming costlier and more challenging. Companies that can eliminate such hazardous waste stand to save significant costs. Firms often reevaluate their manufacturing processes to reduce waste, leading to more efficient production methods that not only minimize waste but also reduce the demand for specific raw materials, resulting in cost savings.
4. **Corporate Social Responsibility (CSR):** Some companies adopt green marketing as part of their corporate social responsibility. Initiatives such as rainwater collection and reuse by Mother Dairy or water-saving practices by Surf Excel (a product from Hindustan Unilever) showcase the long-term benefits of being a responsible corporate citizen<sup>6</sup>.
5. **Cost Savings:**Effective waste management contributes to cost savings. For instance, recycling water reduces overall production costs, despite the initial investment in water recycling facilities. Additionally, initiatives like harnessing solar radiation for electrical energy can significantly lower expenses over time.
6. **NGO Advocacy:** Non-governmental organizations (NGOs), including the Center for Science and Environment (CSE), Greenpeace India, and Carvan, exert pressure on governments regarding various environmental issues. Their influence spans concerns like pesticides in beverages and water pollution caused by sugar mills in the Tarai region<sup>7</sup>.
7. **Consumer Awareness:** Rising energy costs prompt increased consumer awareness about the importance of energy conservation. Consumers are increasingly seeking BEE labeling on electronics and electrical goods, pressuring businesses to develop energy-efficient products<sup>8</sup>.
8. **Market Competition:** Businesses leverage green products to differentiate themselves from competitors and meet the growing demand for environmentally friendly alternatives.

### **9. Keyrules for success of Green Marketing**

Green Marketing is increasingly gaining significance in the contemporary era of industrialization. To ensure the effectiveness of Green marketing, marketers should adhere to the following principles:



**1. Understand Customer:**

Marketers must recognize that consumers are informed about the issues addressed by their products. For instance, consumers may not be willing to pay premium prices for CFC-free refrigerators until they comprehend what CFC is and its environmental impact.

**2. Reassure the Customer:**

Consumers need to be convinced that the product fulfills its intended purpose. They are unlikely to compromise product quality in the name of environmental considerations.

**3. Genuineness and Transparency:**

(a) Ensure that your actions align with your claims in Green Marketing campaigns.

(b) Ensure that your business policies are in harmony with environmentally friendly practices. Both these conditions are crucial for the success of your Green Marketing Campaign.

**4. Educate the Customer:**

It's not solely about informing people that you are taking environmentally friendly actions; it's also about explaining why it matters. Otherwise, a significant portion of your target market may respond with indifference, rendering Green Marketing campaign ineffective.

**10. Green Marketing Mix**

Every company employs its unique Marketing Mix, with some opting for the traditional 4Ps and others incorporating 7Ps. The 4Ps of Green Marketing mirror those of conventional marketing but challenge marketers to apply them innovatively.

**1. Product:**

Manufacturers should offer environmentally friendly products that not only refrain from harming the environment but actively contribute to its protection and remediate existing environmental damage.

**2. Price:**

Prices for such products may be slightly higher than their conventional counterparts. Target groups, such as LOHAS, are often willing to pay a premium for green products.

**3. Place:**

Deciding when and where to make a product available is crucial. The primary focus should be on eco-friendly packaging. Marketing local and seasonal products, such as vegetables and



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fruits from regional farms, is easier to position as environmentally friendly compared to imported products.

#### **4. Promotion:**

Communication with the market should emphasize environmental aspects. For instance, showcasing certifications like CP or ISO 14000 can enhance a company's image. Additionally, sharing stories about the company and its employees' green initiatives can be part of promotional efforts.

India stands out as a global leader in Green IT potential, as revealed by a recent Global Enterprise survey. Indian respondents expressed a willingness to pay 5% or more for green technology when proven beneficial for the environment and offering a return on investment (ROI). Several companies, including Microsoft, Apple, HP, IBM, Sony, Dell, and Intel, have achieved success in their Green Marketing strategies. Wipro Green, for instance, is the first Indian company to launch an eco-friendly range of desktops. HUL is actively reducing its carbon footprint by incorporating modified machines in its production units. SBI employs eco-friendly and energy-efficient equipment in its new ATMs. These initiatives contribute to a positive consumer perception, making buyers feel that they are making a meaningful contribution to the environment by choosing these products. In 2002, the Supreme Court of India mandated the complete adoption of CNG in all public transport systems in New Delhi, curbing pollution in the capital city. According to a recent survey by WPP, at least 77% of consumers worldwide consider Green Marketing to be somewhat or very important. In India and China, these numbers are notably higher, with 87% and 98%, respectively, stating that corporate reputation is a significant purchase consideration. Consumers from these countries also express a desire for more information about green products, indicating a promising future for Green Marketing and environmentally friendly products. Some Cases:-

##### **1) The Taj Chain:**

The Taj Chain is actively cultivating an eco-friendly environment by incorporating organic bed linens, energy-efficient bars, and napkins made from recycled paper. Additionally, they plan to launch an affordable water purifier crafted from pure and natural ingredients.

##### **2) Tata Motors:**





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It is a multinational automobile manufacturer. Tata Motors has created a commercial vehicle that uses hydrogen fuel cells. The corporation is testing these vehicles alongside other alternative fuel technologies such as biodiesel, ethanol, hybrids, and electric vehicles. They're already working on an electric version of their popular Indica passenger car.

3) **ONGC:**

The Oil and Natural Gas Corporation's Institute of Petroleum Safety, Health, and Environment (IPSHEM) provide training to its staff on matters related to health, safety, and the environment. The ONGC Health, Safety, and Environment Committee consist of members from the Ministry of Petroleum and Natural Gas, along with representatives from the company's board of directors.

4) **India Glycols Ltd.**

It is the world's first and only company to commercialize the production of ethylene oxide and glycols from 100% renewable agricultural resources, such as molasses and sugarcane. Carbon dioxide is recycled as a solvent in the manufacturing process. It has even deployed SAP ERP systems to significantly minimize paper usage.

5) **Ranbaxy:**

Ranbaxy Laboratories has created a specialized Environment and Health Safety (EHS) Department within their company<sup>9</sup>. This department is responsible for both environmental protection and the health and safety of employees who may be exposed to hazardous materials. They divide their waste into two types: ordinary waste and biohazardous waste. The organization places a premium on the proper disposal of biohazardous material. It is either burnt or treated to make it less harmful to environment, before disposal.

6) **Infosys:**

The 'Ozone Initiative' is the name of Infosys' Health, Safety, and Environmental Management System (HSEMS). Rainwater is collected and recycled at Infosys for both main and secondary purposes. It conducts energy audits on a regular basis in order to save money on energy. Before it is processed, waste is separated at the source<sup>10</sup>.





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## 11.Challenges in Green Marketing

1. **Lack of Standardization:** Currently, there is no established standard for certifying a product as organic. Verifiable means are absent unless regulatory agencies are involved in issuing certifications. The absence of a standardized quality control board hinders the process of labeling and licensing.
2. **Novel Concept:** Although literate and urban Indian consumers are increasingly becoming aware of the benefits of green products, it remains a relatively new concept for the general public. Efforts are needed to inform and raise awareness among consumers about the environmental hazards. Green movements will require substantial time and effort to reach a wider audience.
3. **Patience:** Investors, corporations, and marketers need to view the environment as a significant long-term investment opportunity. Embracing the long-term benefits of the green movement requires patience, and quick results should not be expected. Given that this is a new concept, it will take time to establish its identity.
4. **Avoiding Green Myopia:** The primary principle of green marketing is to focus on customer benefits, which are the key reasons why people choose specific products. If the development of a green product fails to meet customer satisfaction criteria, it may not encourage consumers to switch brands or pay a premium for a greener option. This could lead to green myopia. Additionally, if green products are priced too high, they may struggle to gain market acceptance.

## 12. Future of Green Marketing:

The concept of Green Marketing has been widely embraced by organizations globally. Companies are investing thoughtfully in research and development to enhance their eco-friendliness. Further research is necessary to understand the long-term benefits that companies may derive from Green Marketing campaigns in the years to come. Future studies can also delve into analyzing the impact of Green Marketing campaigns on consumers.

## 13. Conclusion:

In the modern age of globalization, retaining customers and consumers while safeguarding the environment has become a formidable challenge. This underscores the pressing need for

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adopting Green Marketing. Green Marketing not only brings about significant changes in business practices in India but also contributes to global pollution mitigation. Corporations must raise awareness among consumers about the benefits of choosing green products over non-green alternatives. In Green Marketing, consumers are willing to pay a premium to support a more environmentally friendly world. It is imperative for consumers, industrial buyers, and suppliers to collectively exert pressure to minimize adverse effects on the environment. The importance of Green Marketing is only set to increase.

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