

The Concept of Green Marketing in India

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Abstract

In the past few decades, climate change has become the biggest problem for all over the world. Now environmental sustainability has become the top international political issue. Consequently, companies start developing a green products and consumers has shown the growing interest for these products. Green marketing means producing the product which satisfy the consumers and has no adverse effects on the nature. It satisfies consumers without any harm to environment. It is a process of preserving the environment with welfare of consumers by developing an environmental friendly product. Such product is called green product. Adopting green marketing concept may be expensive for the short period but it ought to be successful in the long period. Green marketing is not up to what marketers claim, consumers also have equal responsibility as they are ultimate users. So, the liability should not be marketers alone. This concept emerges in Indian market in 1990s with the lots of possibilities and obstacles. Several initiatives are undertake by some selected companies and government towards green marketing in India is considered in this study.

Keywords- Green Marketing, Green Product, Climate Change, Environment.

Introduction

Through green marketing companies have the great opportunity to make our planet healthy for the better living. Going green helps the marketer to achieve both the trust and loyalty of consumers. This concept was started as a new revolution in India in 1990s. With the introduction of green marketing, drastic change has occurred in consumer choice and lifestyle in the past decades. It includes many things like- producing green product, with environmental friendly packaging, using eco-friendly strategies and also promoting the advantage of green products. Now more and more companies are using this concept to tap more consumers. The consumer who are said to be environmentally aware and purchasing eco friendly products are called "LOHAS". It stands for lifestyles of healthy and sustainability (as per Wikipedia)

The Green marketing is new and rapidly changing markets which adopt natural and sustainable practices to persuade the consumers. The consumer is ready to pay high prize for eco-friendly product as they are fully aware with current environment Also they are able to attract other consumers.

Green Marketing

Green marketing is the concept through which companies promote their products or services as environment friendly. Green marketing (Environmental marketing) includes all the activities that generate, facilitate or satisfy the consumer needs. This satisfaction process causes no negative effects on the nature. This concept developed in three phases- Environmental marketing, Ecological marketing, and Sustainable marketing. Through the increasing needs and awareness regarding the environment protection, consumers become more aware about environment friendly product. Consequently, marketers increase their efforts to produce, distribute, and advertise the product or services that are environmentally safe. It involves producing an eco-friendly product with no harmful ingredients, carry less packaging and use less water or energy. Also this approach is helpful for business to maximize their brand loyalty in the minds of consumers. Producers use three aspects of green marketing during developing the product-

1. The materials used to develop the product
2. Their finished product
3. Product packaging

Generally, producers focused on these three points while developing the products. The inputs used are recycled materials, how their finished product recycle (are they able to recycled or reused) and their biodegradable packaging. That product is called green product. Green product means the product that is presumed to be environmentally safe. Such product is grown naturally or does not contain any harmful ingredients. Green product also has the capacity to reuse, recycle. Green product does not caused any threat to animal as well. Being the successful business, such product should be link with the brand.

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Need of Green Marketing

Adopting green marketing is the essential requirement of the hours as we witnessed the effects of pollution and climate change on humans, animals, natural environment, glaciers, vegetations, etc. International organizations continuously encourage companies to move towards eco-friendly. Indeed, many organizations make it compulsory for corporate to move towards green marketing strategies or green operations in their organizations. UN has defined 17 SDG (sustainable development goals) that must be achieved by 2030 on a global level by all member countries.

As the resources are limited in our ecosystem and are consumed at a large level, creates the problem of scarcity of resources. Apart from environmental benefits, green marketing prove to be beneficial for corporate in the future. It helps producers in promoting their offerings and to make consumer aware about environmental problems. So, to build our society healthy for living, there is great need of this concept.

Principles of Green Marketing

1. Consumer focused marketing- Consumer oriented marketing is the new concept that based on consumers satisfaction. Under it, every effort is focused on to determine the consumer's needs and satisfies them better. Marketers put customer in the centre of the goal and objective and their ultimate aim is satisfaction of their consumers.
2. Innovative marketing- innovation is an indispensable function for corporate. In the rapidly changing market, it plays a crucial role by implementing new marketing method that involves significant change in product or services, product distribution or in promotion. Now it is not sufficient for business to only grow but to grow constantly.
3. Mission driven marketing- mission driven marketing uses the business mission as a tool of marketing. This is not a new concept as many companies are using this concept. Example- Nike. Nike promote their products by saying "Nike is not solely selling shoes, they are selling the idea that any person can be a wonderful athlete"
4. Social marketing- Social marketing is an approach aimed to maintaining people behavior for the welfare of both the individuals and society. Social market campaigns influence a target audience to change their behavior. Example- warning written on cigarette packet.
5. Consumer value marketing- consumer value means value perceived by consumer in the product. Consumer purchases the product that provides them highest customer value among all other offerings in the market. This defines whether the consumer feels satisfied for the price they paid while purchasing the goods.

Objectives

1. To analyze the concept of green marketing.
2. To understand how green marketing concept develop in India.
3. To evaluate the benefits of green marketing for both company and consumers.

Review of Literature

Currently, everywhere a topic is discussing by organizations, media and public in environment friendliness is green marketing. Indeed through a survey conducted in America, gutfield (1999) discovered that eight out of ten consumers were asserting to be environmentalist (grove, Fisk, 1996) According to the Mainieri and Barnett (2016), massive detrimental changes, depletion of ozone layer, climatic crisis and loss of agriculture land are the problems facing globally. In the recent years, with the increasing level of pollution and their effects on the humans, people are being more aware of the climate issue. It will come with radical change in the business sector if all countries will build stringent rules as green product is necessary to protect the nature from the pollution (Praveen, Meena 2019)

Past surveys reveal that India struggle with lot of environment problems. As per the climate risk index by germanwatch, India is the fifth most affected country by climatic variations. According to K.Manian, Ashwin Nitish (2011), this concept in Indian Corporate sector is in developing stage and can impact positively in the long run. As per the study, "Green marketing helps corporate to cover extra cost in long run and improve the goodwill of company" (Ambica, Samridhi, 2019). According to the study conducted in past showed that customers are not much committed to revamp the nature and laying too much responsibility on manufacturers and government (Aditya, gunjun 2011)

By the study in other countries examined that environmentally aware consumers play an indispensable role in solving environment problems. The consumers itself are the major contributor to these environment problems, so any responsible attempt by them to reducing these problems make a big change. Consumer's environmental awareness force businessman to accept green practices and producing green products (Sanjay, gurmeet, 2010) consumer movement started for protecting the consumers by unethical practices and harmful products. Now consumerism also includes environment protection (Keegan et.al, 2015)

Research Methodology

The study depends on secondary data collected through literature review and analysis. The literature includes- websites, journals, newspapers, books and research paper analysis.

Evolution of Green Marketing in India

Large number of organizations not only in country in the whole world wants to accept green marketing because large number of consumers wants to connect themselves with eco-friendly products. The two large IT firms Wipro and Infosys was the leading company in India who begin environmental feasibility in the form of energy, waste management. Wipro wants to become a green company in coming days. It has adopted various programs to be green and their goal is to become carbon neutral and energy effective (green) company. Nike is the leading shoe company to promote itself green. Dell has been amongst seller who emphasis on developing green IT products. Their

famous strategy is “go green with dell” to promote their offerings in the market.

In India, we have also the environment friendly hotels like- Orchids, Rodas, Rain tree, etc. that trusting and following green practices. According to Harish tiwari of Infinity informatics private limited, “we don’t own any difficulty in selling or promoting green product as awareness about eco-friendly products are increased in consumers and also in us”. Consumers are now ready to pay high charge for that product once they believe.

Recently, LG has introduced a LED E60 and E90 series of LED in the Indian market. Its competitive advantage is that it only uses 40% energy than other LEDs. Also such LEDs slightly used halogen or mercury. TCS uses globally authorized environmental friendly practice and has already top most worlds’ greenest company with a global green score of 80.4% for producing technology to agriculture and society. As a first bank, Indus land disrupts the operation of paper in ATMs and allows sending electronic messages.

Samsung India provides big range of LED TV and this time they come with environment friendly back light. This new technology uses 40% less energy than others and does not contain any harmful chemicals like- mercury and lead. BPCL Mumbai is the leading best refineries in India to establish an independent energy and environmental cell in the duration of 1962. Mumbai Refinery participated first ever in Green Company rating, which is the evaluation of company’s activities on environment. Mumbai Refinery become the leading Indian oil refinery to be rated in Green Company Rating. J.K. Tyres is an eco-friendly company and all its plants are certified under ISO-14001 for safeguarding the environment. J.K. Mysore plant won golden peacock award for their green initiative to reused waste tyres as accessories.

Present Scenario of Green Marketing in India

It has been examined by many studies that green sector is successful for many businesses in technology, service, innovation but some are leave behind due to over competition. Through the study of Unilever- 33% of consumers purchase that brand which is natural and sustainable. There is an initiative taken by government in the way of “GREEN TAX” to safeguard and preserve the environment from pollution. Through the plan, green tax will be charge on transports vehicles which are more than eight years old at the moment of resumption of fitness certificate. Rate of such tax is 10-25% of road charge.

Government work dedicatedly to improve green sector of the country. Not only within the country, India’s working with other countries to tackle climate change. India and Australia work on ‘A circular economy model’ I-ACE for waste management, recycling and responsible manufacturing. This not only conserves the environment but also supports the expansion of new industries and job creation. There are four key themes-

1. Innovation in packaging that reduces waste
2. Developing opportunities for decreasing waste

3. Recycling of electronic and other critical waste
4. Innovation in supply chain to avoiding waste

Government policies like FAME (faster adoption and manufacturing of electric vehicles) which provides subsidy on electric vehicles manufacturing and charging points. Now, government focuses more on electric vehicles to protect environment and lessen the dependency on other countries for crude oils. Nowadays, prices of petrol and diesel increase at high level. The major purpose of electric vehicles policies are-

1. Reduce pollution level
2. Provide employment in a growing sector
3. Reduce dependency on crude oil

Benefits of Green Marketing for Companies

1. Competitive advantage- Marketers obtain different advantage from going green. They get maximum market share from eco-conscious consumer and drive competitive advantage.
2. Societal responsibility- This is the accountability of organization to be culturally and ethically responsible society. Environmental societal responsibility means to not causing any harm on the atmosphere from the corporate activities.
3. Price skimming- By the study, consumers are ready to pay high price in exchange of green product. By providing such product, producers may charge high price.
4. Maximum market share- By adopting green practices, marketers get maximum market and they also an effective way to long term growth of the corporate as now people are become more environmental aware.
5. Improves credibility- Organization through a pragmatic perspective for their business will not only get maximum share by attracting more customers but also attract business partners who appraise its creditability.

Benefits of Green Marketing for Consumers

1. Better product- Green product known to be healthy as it does not contain any negative ingredients or chemical that affects health of consumers. Green product said to be the prospect of our society.
2. Environmental healthy- Green product contains natural elements and is naturally grown. So, it does not affect the nature and maintain the aspect of environment.
3. Economical- These products are used longer than traditional products. Such products use less energy. For example- LED lights, Star-rating electrical appliances.
4. Provides more employment- Green products needs development of technique and also large investments in research that obtain mass employments.

Conclusion

Green marketing is still in the growing stage but evolving vastly. The government seemed to be work very enthusiastically for developing a green mindset among the people. Now people are demanding green products more and realizing their accountability towards environment. To promote green product, lot of things need to be finish to make

it successful in India. There are lots of opportunities present in the Country. Rapidly increasing problems due to environmental pollution forced companies and consumers to adopt such product. Green marketing needs full support of government, producers and consumers.

During the study it were examined that India needs more investments in this sector for taking necessary climatic action (Mongabay, 2020) By the past report it is disclose that India have limited green finance which is only 10% of total finance needed i.e. USD 170 billion per year. Although the great news is the investment in green sector outperform country's GDP growth. This revealed improvement in investment in this sector.

Green marketing displays favorable reaction on the nature but still great need to popularize this concept to change behaviors of consumer's for more eco-friendly lifestyles. Marketers also need to recognize that green marketing is none now wholly philanthropic; it may be commercial venture for the sustainable growth.

Suggestions

Over the study it was revealed that green marketing needs full support of government, consumers and institutions. Marketers should adopt green manufacturing technologies. Consumers should also be made more aware while choosing or consuming the product. Green marketing campaign and publicity is a good step for creating recognition of green products.

The positive outcome of green marketing is seeing in the way of recovery of ozone layer. Now,

here is a great need of such concept in other areas like- rising of pollution due to dumping of waste in oceans that results a big threat to marine animals. The international environmental organizations and government should collaborate to tackle such problems. Without the strong laws and their execution, this concept cannot be objectifying. If producers, consumers and government work collectively to decrease the undesirable outcomes of activities, we can definitely preserve our nature and make it healthy.

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