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## GREEN MARKETING IN INDIA

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### Abstract:

*Polonsky (1994) defines green marketing as, " All activities designed to generate and facilitate any exchanges intended 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". India is a world leader in green IT potential, according to a recently released global enterprise survey. Among the companies that have succeeded thus far in their green marketing strategies are Apple, HP, Microsoft, IBM, Intel, Sony and Dell. HCL has a comprehensive policy designed to drive its environmental management program ensuring sustainable development. HCL is duty bound to manufacture environmentally responsible products and comply with environmental management processes right from the time products are sourced, manufactured, bought by customers, recovered at their end-of-life and recycled. As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. The paper examines the present trends of green marketing in India and its future.*

### KEY WORDS:

Green Products, Recyclable, Environmentally safe, Eco Friendly, Natural Environment, Sustainable Development, Green Marketing

### INTRODUCTION

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. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" 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 sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. 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

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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.

## **WHAT IS GREEN MARKETING?**

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

## **EVOLUTION OF GREEN MARKETING**

The green marketing has evolved over a period of time. 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. It came into prominence in the late 1990s and early 2000.

## **WHY GREEN MARKETING?**

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. 1980 was the first time green marketing came into existence. AMA defines green marketing as the marketing of products that are presumed to be environmentally safe, it incorporates several activities such as product modification, changes to production processes, packaging, advertising strategies and also increases awareness on compliance marketing amongst industries. As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services. Many people believe that green marketing is a way to promote or advertise a specific product using environmental terms, such as television advertisement, to announce a type of heaters as not to cause a shortage of oxygen but all that can not be named more than eco-declaration, or green advertising, which forms one component of green marketing, or of the green marketing claims, therefore, green marketing includes a wider range of organizational activities, such as; product modification, changes to the production process, packaging changes and delivery changes, and more (Polonsky, 2007). In their attempt to define green marketing, researchers and practitioners have addressed several terms related with this concept, Prakash (2002), pointed out that he employed the term green marketing in his survey "to refer to the strategies to promote products by employing environmental claims either about their attributes or about the systems, policies and processes of the firms that manufacture or sell them", while (Polonsky, 2007), has defined it as "green or environmental marketing consist of all activities designed to generate and facilitate any exchange intended to satisfy human need or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment."

## **MARKETING MIX OF GREEN MARKETING**

Like conventional marketers, green marketers must address the 'four Ps' in innovative ways.

### **Product**

Entrepreneurs wanting to exploit emerging green markets either: identify customers' environmental needs and develop products to address these needs; or develop environmentally responsible products to have less impact than competitors. The increasingly wide variety of products on the market that support sustainable development and are good for the triple bottom line include: Products made from recycled goods, such as Quik'N Tuff housing materials made from recycled broccoli boxes. Products that

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can be recycled or reused. Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Queensland's only waterless printer, Printpoint, reduces operating costs by using less water than conventional printers and is able to pass the savings on to customers. Products with environmentally responsible packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper. Products with green labels, as long as they offer substantiation.

### **Price**

Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration. For example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

### **Place**

The choice of where and when to make a product available has a significant impact on the customers being attracted. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market. The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasise the environmental and other benefits.

### **Promotion**

Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing. Retailers, for example, are recognising the value of alliances with other companies, environmental groups and research organisations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust. Promote your green credentials and achievements. Publicise stories of the company's and employees' green initiatives. Enter environmental awards programs to profile environmental credentials to customers and stakeholders. As far as green branding is concerned the consumers strongly expressed that they are familiar with green brand and shown interest to know more about green branding. In India, at present situation is concerned the transition from regular marketing to green brand is difficult. Most of the consumers realize the importance of green branding which means that there is a positive sign for betterment of the environment as well as for business.

## **Initiatives Taken Up By Business Organisations Towards Green Marketing**

### **Lead Free Paints From Kansai Nerolac**

Kansai Nerolac Paints Ltd., has always been committed to the welfare of society and the environment. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. 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.

### **Tata Metaliks Limited (TML)**

Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

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### **Tamil Nadu Newsprint and Papers Limited (TNPL)**

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

### **IndusInd Bank**

Green banking has been catching up as among the top Indian green initiatives ever since IndusInd opened the country's first solar-powered ATM and pioneered an eco-savvy change in the Indian banking sector.

## **PRESENT TRENDS IN GREEN MARKETING IN INDIA**

Governmental Bodies are forcing firms to become more responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. Competitors' Environmental Activities pressure the firms to change their Environmental Marketing Activities.

## **THE FUTURE OF GREEN MARKETING**

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. Evidence indicates that successful green products have avoided green marketing myopia by following three important principles:

### **1. CONSUMER VALUE POSITIONING**

Design environmental products to perform as well as (or better than) alternatives. Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments. Broaden mainstream appeal by bundling consumer desired value into environmental products.

### **2. CALIBRATION OF CONSUMER KNOWLEDGE**

Educate consumers with marketing messages that connect environmental attributes with desired consumer values. Frame environmental product attributes as "solutions" for consumer needs, Create engaging and educational internet sites about environmental products desired consumer value.

### **3. CREDIBILITY OF PRODUCT CLAIM**

Employ environmental product and consumer benefit claims that are specific and meaningful, Procure product endorsements or eco-certifications from trustworthy third parties.

## **CHALLENGES IN GREEN MARKETING**

### **1. 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

### **2. New Concept**

Indian literate and urban consumer is getting more aware about the merits of Green products. But 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.

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### 3. 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.

### 4. 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 absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

### EXAMPLES OF GREEN MARKETING IN INDIA:-

1. Digital Tickets by Indian Railways. :- Recently IRCTC has allowed its customers to carry PNR no. of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their ticket anymore.

2. No Polythene carry bags for free :- Forest & Environmental Ministry of India has ordered to retail outlets like BigBazar, More, Central, D-Mart etc that they could provide polythene carry bags to customers only if customers are ready to pay for it.

3. Green IT Project: State Bank of India:- 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 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.

4. Lead Free Paints from Kansai Nerolac:- 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.

5. Wipro's Green Machines:- 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.

### CONCLUSION

Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspects of their business. Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

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