

## **Green Marketing –A Consumer's Perspective in the Indian Scenario**

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### ***Abstract***

*Indian consumer is high on the ladder when it comes to being concerned about the environment. But will he take the plunge and pay more for eco-friendly products. Green marketing is a phenomenon which has developed particular importance in the modern market. Indian brands have taken on the green challenge by aligning themselves with a green cause, by introducing green products, by taking steps to reduce energy consumption and reduce costs, and by embracing green as a business imperative. This paper focuses on understanding the alarming situation of the need of green marketing and organization's efforts in curbing it. It also focuses on consumer perception and use of green products in the Indian scenario. This paper also emphasizes on the present and future potential for green marketing.*

**Key Words:** *Green Marketing, Green Product, Green-washing, Consumer Awareness*

### **INTRODUCTION**

Green marketing refers to the satisfaction of consumer needs, wants, and desires in conjunction with the preservation and conservation of the natural environment. 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.

Green marketing is quickly making the shift from trendy marketing tactic to cultural movement as more and more consumers demand environmentally friendly products, made in sustainable way. Businesses that have already picked up this change and are currently pursuing a green business model or green marketing strategy are reaping such benefits as - increased revenue, reduced costs, enhanced brand reputation and market value, risk mitigation and world salvation. 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.

### **OBJECTIVES OF THE STUDY**

- To discuss the need for green marketing in India

- To understand the consumer's perspective towards green marketing in India.
- To study the present scenario and potential of green marketing in India.

## **METHODOLOGY**

The methodology adopted in this study is

- The review of literature on green marketing
- The review of consumers ideas on green marketing

## **LITERATURE REVIEW**

Green marketing has been an important issue since it emerged. Attention was drawn to the subject in the late 1970's when the American Marketing Association organized the first ever workshop on —Ecological marketing in 1975 which resulted in the first book on the subject entitled —Ecological Marketing by Henion and Kinnear (1976). Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. It has moved beyond the limitations of the prevailing paradigm. The areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference (Kilbourne, 1998).

The proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. Environmentalism has fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practising green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented (Jain & Kaur 2004). Green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques have direct impact in the minds of the consumer and as a result, businesses have increased their rate of targeting consumers who are concerned about the environment (Mishra & Sharma 2010).

A business firm can be more competitive by using green marketing strategies to gain a competitive edge over others. There are challenges and opportunities businesses have with green marketing in the current scenario of Indian market (Shrikanth & Surya 2012). Businesses have increased their rate of targeting green consumers, the reason why companies are adopting it and future of green marketing. There are principles which are important to avoid green marketing myopia and that green marketing is something that is continuously growing in both practice and demand (Sharma & Bagoria 2012).

**PRESENT SCENARIO IN INDIA**

Many analysts are predicting that 2011 will be a make-or-break-it year for many green businesses. Increasing competition in the green sector has driven some businesses to new heights of innovation and service while others lag behind. Trends may come and go. It is not possible for any green business to stay on top of all of them, nor it is worthwhile to try. However, keeping track of green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities.

A number of factors have caused business firms to behave more responsibly towards the natural environment. Perhaps foremost among these is the possibility of capitalizing on opportunities from the sale of environmental services and/or "earth-friendly" products. Environmental awareness has increased dramatically.

In India, companies like Hero Honda (before they split), Volkswagen and Toyota in automobiles, Voltas, Panasonic and LG in consumer durables, Nokia, Sony Ericsson and Philips in personal electronics and Wipro (with its non-toxic Green PCs) are shining examples.

**Green Washing**

It refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of green washing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial. In short it means exaggerated and falsified green claims made by the companies, which acts as a major challenge for the industry, as it leads to consumer scepticism pertaining to such green claims.

**Role of Government**

The Indian government has also done its mite in promoting green marketing and eco friendliness by way of banning plastic bags from daily use, helping its automotive industry to develop greener vehicles. The government took the initiative of promoting green buildings construction, usage of alternate sources of energy by companies. It has developed a frame-work of legislations to reduce the production of harmful goods and by products so that there is reduction in the industry's production and consumers' consumption of harmful goods. 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.

**Consumer's take on Green Marketing**

A green future with greener surroundings and a green bank balance is on most companies list irrespective of which side of the globe they are on. This has happened largely due to the consumers also, who today are aware & concerned of what they are getting into while making small buying decisions. This scenario is no different in India too where changing pro-file of the Indian customer has made it imperative for the marketer to change the way he communicates with the customer. The next generation Indian customers are educated, smart, equipped with technology and well informed through various media channels available now.

Green is slowly and steadily becoming the symbolic colour of eco-consciousness in India. Increasingly consumers are also aware and concerned about the efforts companies make towards the conservation of environment and community development. The concept of societal marketing and green marketing is being increasingly used in recent times. Consumers across the world have become more conscious about the environment. They think highly of brands that are associated with environmental conservation. According to the Greendex 2010: Consumer Choice and the Environment - a worldwide tracking survey conducted by the National Geographic Society and polling firm GlobeScan Indian consumers' lifestyle emerged as the most environmentally sustain-able with 62.6% claiming to care about the environment. Paradoxically, that very consumer is reluctant to fork out more money for a green product.

### THE GREEN MARKETING MIX

A model green marketing mix contains four "P's":

1. **Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.
2. **Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.
3. **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is easier to be marketed "green" than products imported.
4. **Promotion:** A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm's image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.

### Additional social marketing "P's" that are used in this process are:

1. **Publics:** Effective Social Marketing knows its audience, and can appeal to multiple groups of people. "Public" is the external and internal groups involved in the program. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the program.
2. **Partnership:** Most social change issues, including "green" initiatives, are too complex for one person or group to handle. Associating with other groups and initiatives to team up strengthens the chance of efficacy.
3. **Policy:** Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the environment they're in supports that change for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a social marketing program.
4. **Purse Strings:** How much will this strategic effort cost? Who is funding the effort?

The level of greening—strategic, quasi-strategic, or tactical—dictates what activities should be undertaken by a company. Strategic greening in one area may or may not be leveraged effectively in others. A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader. So although strategic greening is not necessarily strategically integrated into all marketing activities, it is nevertheless strategic in the product area.

**GREEN MARKETING ACTIVITIES**

	Tactical greening	Quasi-strategic greening	Strategic greening
<b>Targeting</b>	Ads mentioning green features are run in green-focused media.	A firm develops a green brand in addition to its other brands.	A firm launches a new Strategic Business Unit (SBU) aimed at the green market.
<b>Green design</b>	A firm switches from one raw material supplier to another with more eco-friendly processes.	Life-cycle analysis is incorporated into the eco-design process to minimize eco-harm.	E.g. FUJI XEROX develops its Green Wrap paper to be more eco-friendly from the ground up.
<b>Green positioning</b>	E.g. a mining company runs a Public Relations (PR) campaign to highlight its green aspects and practices.	E.g. <b>British Petroleum (BP) AMOCO</b> redesigns its logo to a sun-based emblem to reflect its view to a hydrogen/solar-based future of the energy industry.	E.g. the <b>BODY SHOP</b> pursues environmental and social change improvements and encourages its consumers to do so as well.
<b>Green pricing</b>	Cost-savings due to existing energy-efficiency features are highlighted for a product.	E.g. a water company switches its pricing policy from a flat monthly rate to a per-unit-of-water-used basis.	A company rents its products rather than selling; consumers now pay only for use of the product.
<b>Green logistics</b>	A firm changes to a more concentrated detergent, which.	Packaging minimization is incorporated as a part of a firm's manufacturing review process.	A reverse logistics system is put into place by FUJI XEROX to reprocess and remanufacture copiers.
<b>Marketing waste</b>	A firm improves the efficiency of its manufacturing process, which lowers its waste output.	E.g. <b>TELSTRA</b> (a phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies.	E.g. a Queensland sugar-cane facility is rebuilt to be cogeneration based, using sugar-cane waste to power the operation.
<b>Green promotion</b>	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.	A company sets a policy that realistic product eco-benefits should always be mentioned in promotional materials.	As a part of its philosophy the <b>BODY SHOP</b> co-promotes one or more social/eco campaigns each year with in-shop and promotional materials.
<b>Green alliance</b>	A company funds a competition (one-off basis) run by an environmental group to heighten community awareness on storm water quality issues.	E.g. <b>SOUTHCORP</b> (a wine producer forms a long-term alliance with the Australian Conservation Foundation to help combat land-salinity issues.	A company invites a representative of an environmental group to join its board of directors.

## CONCLUSION

Consumers in developing countries express greater concern over the state of the environment in their countries, which may contribute to their greater willingness to pay more green products. There is a growing environmental-consciousness amongst all the citizens of Indian society. It

has made the population more responsive aware towards green marketing appeals. It is very imperative to boost the morale of younger consumers to adopt a positive attitude towards the purchase of eco-friendly products - could witness marketers rewarded with long-term relationship with this segment.

It will take efforts from the company and the government make a consumer loosen the purse strings to own or use green product. Marketers have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones and to stay from green washing. That kind of commitment among consumers will take some time coming. Consumers are to pay more to maintain a cleaner and greener environment. They would prefer to buy products that save their money first. Any 'green' benefit that comes will be treated like a goody bag. Therefore, the future prospects of green marker very high as there is a sizeable segment of consumers that they can cater to.

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