

# GREEN MARKETING IN INDIA

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**Abstract** Environmental issues have gained importance in business as well as in public life throughout the world. It is not like that a few leaders of different countries or few big renowned business houses are concerned about the day to day deterioration of oxygen level in our atmosphere but every common citizen of our country and the world is concerned about this common threat of global warming. So in this scenario of global concern, corporate houses has taken green-marketing as a part of their strategy 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. Clearly green marketing is part and parcel of over all corporate strategy; along with manipulating the traditional marketing mix (product, price, promotion and place), it require an understanding of public policy process. Smart business houses have accepted green marketing as a part of their strategy. This paper will attempt to introduce – the terms and concept of green-marketing; about the importance of green marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy; it also highlights some problems that organization may face to implement green marketing.

**Keyword:** *Envirmental issue, green marketing, Ecological Marketing*

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## INTRODUCTION

The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

The first wave of Green Marketing occurred in the 1980s. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America

### Meaning of Green Marketing

“**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**. **Different authors have given different definitions of green marketing. Some of the commonly used definitions are:**

According to the American Marketing Association,

A3 Ways definition

(Retailing definition): The marketing of products that are presumed to be environmentally safe.

(Socially marketing definition): The development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality.

(Environment definition): The effort by organization to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns.

Green marketing emphasizes environmental stewardship. Alma T. Mintu and Hector R. Lozada define green marketing as "the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection and conservation of the physical environment is upheld." Walter Coddington defines *environmental marketing* as "marketing activities that recognize environmental stewardship as a business development responsibility and business growth responsibility." Others have focused more on strategic dimensions in defining green marketing; for example, Martin Charter defines it as "a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfills stakeholder needs for a reasonable reward, that does not adversely affect human or natural environmental well-being." Finally, Robert D. Mackoy, Roger Calantone, and Cornelia Dröge differentiate among three aspects of green marketing, which they identify as *demarketing* (managing demand to maintain optimal long-term profitability), *green marketing* (addressing the

needs and wants of a segment of consumers expressing environmental concerns), and *social marketing* (adapting marketing tactics and strategies to the development and promotion of social goals).

Green or environmental marketing may be defined as any marketing activity that recognizes environmental stewardship as a fundamental business development responsibility and business growth responsibility. Environmentally-responsible or "green" marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. The sorts of characteristics usually highlighted include such things as reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production.

#### Why Are Firms Using Green Marketing?

When looking through the literature, there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
2. Organizations believe they have a moral obligation to be more socially responsible
3. Governmental bodies are forcing firms to become more responsible
4. Competitors' environmental activities pressure firms to change their environmental marketing activities
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior

#### (A) Opportunities-

It appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment.

Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous example of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion
- Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This does not mean that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases, firms have misled consumers in an attempt to gain market share. In many other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

#### (B) Social Responsibility-

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives: 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact.

There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy directly ties itself to the overall corporate culture, rather than simply being a competitive tool. An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

(C) Governmental Pressure-

Governmental regulations relating to environmental marketing are designed to protect consumers in several ways: 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

These governmental regulations are designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol. One of the recent publicized environmental regulations undertaken by governments has been the establishment of guidelines designed to "control" green marketing claims. These regulations include the Australian Trade Practices Commission's (TPC) "Environmental Claims in Marketing - A Guideline, the US Federal Trade Commission's (FTC) "Guides for the Use of Environmental Marketing Claims" and the regulations suggested by the National Association of Attorneys-General. All these regulations were designed to ensure appropriate information to consumers so that they could evaluate firm's environmental claims. Thus, governmental attempts to protect consumers from false or misleading claims theoretically provide consumers with the ability to make more informed decisions.

(D) Competitive Pressure-

Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacturer stopped using driftnets, the others followed suit.

(E) Cost / Profit Issues-

Certain firms use green marketing to address cost/profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore, when attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases, they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced. In many other cases, it has been found that firms find end-of-pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production.

**DARK SIDE OF GREEN MARKETING:**

The Green Movement is still in its infancy and is just starting to build trust among people now concerned about the environment. These are people who, in many cases, are now willing to pay more for a green product. Should that product not be green or live up to its promises, many new green consumers will lose faith in the movement as a whole.

It's easy for companies to tout their own horn on how green they are. When possible, consumers should look for product certifications from governments and standard setting bodies such as EcoLogo and Green Seal. However, not all small and medium size companies can afford the fees required for testing by these agencies. Companies in this category, and those in the service industry, should review their own company practices, set a plan for their own green initiatives, and strive for professional third party recognition of their efforts. With all that is at stake, no company can afford to be on the "dark side" and lose the confidence of the new green consumer

However, green marketing poses huge dangers for marketers if they get it wrong:

- Most customers choose to satisfy their personal needs before caring for the environment.
- Overemphasizing greenness rather than customer needs can prove devastating for a product.
- Many customers keep away from products labeled "green" because they see such labeling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green.

Green marketers need to find out the value their customers place on green benefits. It is important that they position the product on the basis of the functional need it caters to and then talk about the additional benefits of greenness. Marketers need to find out whether, by adopting green marketing, their organizations will be perceived as more socially responsible. They need to know

whether their customers understand the benefits of green products and value them enough. If they do not, then the marketers may also need to invest in customer education in order to make their marketing efforts successful.

### CONCLUSION

Green marketing is based on the premise that businesses have a responsibility to satisfy human needs and desires while preserving the integrity of the natural environment. Indeed, there are significant indications that environmental issues will grow in importance over the coming years and will require imaginative and innovative redesign and reengineering of existing marketing efforts on the part of many businesses. A clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. 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.

Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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