

## Green Marketing in India: Emerging Opportunities and Challenges

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### ABSTRACT

Green marketing is a phenomenon, which has developed particular important in the modern market. In the emerging world, the concept of pollution free activity is given more importance in all the sectors and in all stages. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome some difficulties a new concept has born in the present globalized world where production, consumption and marketing of the products can be carried effectively ensuring environmental safety. This concept is named as “Green Marketing”. However, the question remains “how safe can it be in the Indian scenario?” since India is one of the fastest developing nations and utilization of resources has to be carried continuously in order to maintain trade balance, both internal and external. Hence, this paper highlights the concepts related to Green Marketing, why Green is important, why companies launch Green Products, who are concerned about the environment can be convinced and support their purchasing decisions. The paper explores the challenges and opportunities businesses have with green marketing. The paper also describe the reason why companies are adopting it and concludes that green marketing is something that will continuously grow in both practice and demand.

**Keywords:** green marketing, Indian market, issues in green marketing

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### INTRODUCTION

Green marketing deals with selling products and services with environmental benefits. It processed or packaged in an environmental friendly way. It is the development of conventional products to be more eco-friendly to retain biodiversity. As growing awareness about global warming, depletion of ozone layer , non-biodegradable waste management , impacts of pollutant on human body. It is need of every individual to protect natural environment in day- to-day life. Over the past three decades, industrialization leads to rapid

growth. As consumers become conscious about environmental firms need to change their products and services to be more eco-friendly. It shows concern for environmental protection through avoid using conventional methods. Consumers are willing to pay extra cost for the green products and services. It helps not only awareness but also new market and job opportunities. It is becoming one of the important organizational objectives as part of social responsibility. It shows environmental commitment of corporate which can be used as a strategy for promoting their products and services.

Organization think that green marketing will be an opportunity which can be used to achieve its aims and objectives. They also believe that they have a moral responsibility towards society. Issues like depletion of ozone umbrella, pollutants in air, global warming is important for survival. Every man upon this earth whether rich or poor wants good quality of life. Though it's late for only thinking about economic profits companies now also thinking about their ethics and morality for society. It makes sense for corporate to build up their product as brand.

Environment is simply our surroundings. Due to increased awareness on environmental issues increases publicity on the media. Customers have become more concern about their day-to-day activity and its impact on environment. As resources are very limited and human wants are unlimited, it is necessary for marketers to utilize the resources properly without waste as well as to achieve the organizational goal. Green marketing has emerged which speaks for growing marketing for sustainable and socially responsible products and services. It is their USP (Unique Selling Proposition). Effective green marketing targeted at consumers with business strategy and eco-friendly product which makes a difference.

## LITERATURE REVIEW

The literature review will elucidate the green marketing in general and some key factors were selected to describe how green marketing has a bright future in business world to capture a large share of market.

**Elkington (1994)** 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.

**Prothero, A. (1998)** introduced numerous papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green promotion. This incorporated a quotation of the

need to review presented text on green marketing, an experimental study of United States and Australian advertising managers, an explanation of what a green association look similar to in practice in Great Britain, ecotourism and definitions of green promotion.

**Prothero, A. & Fitchett, J.A. (2000)** argued that greater environmental explanation can be protected during entrepreneurship by using the uniqueness of product culture to more growth ecological goals. Marketing not only has the possible to supply to the establishment of extra sustainable forms of civilization but, as a principle manager in the process and explosion of product discourse, also has a significant liability to do so.

**Oyewole, P. (2001)**, he defines a conceptual link among green marketing, environmental justice, and industrial ecology. He argues for greater awareness of environmental justice in the practice for green marketing. In his paper he identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

**Karna, J., Hansen, E. & Juslin, H. (2003)** interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study. Based on the data collected through

**Agarwal Kriti and Sharma Pooja (2013)** in their research study *The Altering Magnitude of Green Marketing: Indian Development* concluded that green marketing is a phenomenon which has developed its particular growth in the modern market. It has emerged as an important concept in India as in other parts of the developing and developed world which opened the door for companies to earn profits in greener way.

**Kaur Parminder (2013)** in her study *Green Revolution in Marketing: Need of the Hour in Changing Business Environment* discussed about the benefits of adopting green approach by the companies. The study concluded that marketing approaches should be customer and environmental oriented for sustainable growth. There is a need for shift in the pattern of the way the business houses think about their role in attaining sustainable development.

**Tyagi Himani (2013)** in research study *Emerging Strategies of Green Marketing in India* emphasized upon green marketing as a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. The

study concluded that marketers are responding to growing consumer demand for environment- friendly products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control.

### **OBJECTIVES OF THE STUDY**

The following are the objectives of the present study:

1. To study the evolution of Green Marketing
2. To identify the challenges faced by Green Marketing
3. To know the reasons why green marketing important in today business world.

### **RESEARCH METHODOLOGY**

The present study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact finding investigation with adequate interpretation. For this purpose secondary data were collected. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

### **EVOLUTION OF GREEN MARKETING**

The green marketing has evolved over a period of time. According to Peattie (2001), 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.

### **WHAT IS GREEN MARKETING**

“The holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way (Peattie, 1995)”.

Green marketing consists of all activities designed 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. It is sorry to say, a greater part of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing

claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact (May 1991, Ingram and Durst 1989, Troumbis 1991). Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. There are two slogans like "less environmentally harmful" and "Environmentally friendly". Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

### **GREEN PRODUCT**

Green product stresses the straight and tangible benefits provided by greener design, such as energy efficiency or recycled content, rather than stressing the environmental attributes them. Reducing the environmental impact of a product improves the product's overall performance and quality in ways that are important, not just the most dedicated and loyal green consumer but to all consumers. For example, CNG (Converted Natural Gas) use in the vehicles, super-concentrated laundry detergents not only save energy and packaging, they save end space, money and effort. Organically grown food not only better preserves soil and reduces the amount of toxins in the water supply; they have superior taste and health benefits compared to their counterparts. Therefore green product means any product, which is not hazardous for environment and customer as well, and it also work as a future remedy of negative impact of a product.

### **GREEN CONSUMER**

The green consumers are the driving forces behind the green marketing process. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country but country like Bangladesh and its organization has found that one out of every six consumer is green, but their environmental commitments vary because of their different standards, expectation from producers, demand and buying power. It is thus not efficient to say that the green consumer is one who engages in green

consumption, specifically, consumes in a more sustainable and socially responsible way. A consumer acquires bundle of wants and needs and this is also true for the green consumer. To satisfy those needs businesses have to break down the market into different groups of consumers that differ in their responses to the firm's marketing mix program.

### **IMPORTANCE OF GREEN MARKETING**

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

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

### **WAYS TO GO GREEN**

1. Unplug when not in use.
2. Use less water, every drop counts.
3. Switch to compact fluorescent light bulbs.
4. Choose products with less packaging.
5. Buy organic and local food.
6. Drive less that saves fuel.
7. Walk more.
8. Recycle more.
9. Switch to green power, use non conventional energy like solar power etc.
10. Spread the world about green, live green, stay green.

### **REASONS FOR THE COMPANY TO GO FOR GREEN MARKETING**

**1. Customer pressure:** Customers are the king of the business. In a developed country customers are very conscious towards the environment so, they purchase those products which are less detrimental to the environment and not harmful to the human being. If companies want to survive they should produce the product according to the consumer environment needs and wants.

**2. Government pressure:** The Government of India frames various acts and regulations

to protect the society and consumers from the environment degradation, pollution etc. These actions reduce the number of polluted industries and customer consumption of harmful goods for example, ban of plastic bags, smoking in the public places etc.

**3. Competitor pressure:** Many companies follow green marketing to maintain the core competency strategy in the competitive position of the market. Companies follow green marketing as a corporate social responsibility to save the environment.

**4. Community pressure:** People living in the surrounded places of the company opposed to the pollution expel the company from their production function. Sometimes this opposition led to closure of the company. Due to this force companies take action to change their process to do less damage to the environment.

**5. Cost reduction:** Reduction of harmful waste may lead to cost savings to the company. Sometimes waste generated by one company is used as raw materials by another company for their production process. For example fly ash generated by thermal power plants would contribute to generate fly ash bricks by another company.

**6. Social responsibility:** Every firm is responsible to serve the society apart from its business activities. Many firms realize this fact and behave in a holistic and environment responsible marketing. Through these environmental responsible and social responsible efforts they translate their profit objective and achieve environmental marketing. For example a firm that invested large amount of money for recycling, also modify their package to minimize its environment impact.

### **GREEN MARKETING: CHALLENGES**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while implementing Green marketing. The major challenges which Green marketing have to be faced are:

**1. 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.

**2. Cost Factor:** Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.

**3. Convincing customers :** The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Sometimes the customers may also not be willing to pay the extra price for the products.

**4. Sustainability:** Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.

**5. Non Cooperation:** The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.

**6. Avoiding Green Myopia:** Green marketing must satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed green marketing myopia.

#### **GREEN MARKETING: OPPORTUNITIES**

The following reasons may be cited as opportunities by the firms for adopting environment friendly practices/green marketing in their organizations:

**1. Competitive Advantage:** Environmental technology can be used to gain competitive advantage (Shrivastava, 1995). Adopting green practices by organizations will help an organization to take strategic advantage over its competitors in the industry. If an organization is offering products and services that are able to meet the needs and wants of consumers along with environmental benefits that will create a point of difference (unique selling proposition) in the consumers' mind. This point of difference will force the consumers to go for that particular product and service.

**2. Increasing the Consumer Base :** Various studies in the Indian context on green marketing show that nowadays, most of the consumers are aware and are concerned about environment-related issues (Ishwini & Datta, 2011; Mannarswamy, 2010; Paranjape, Bhakare, & Mathur, 2012), and are willing to purchase eco-friendly products/green products (Vernekar & Wadhwa, 2011). Thakar, Joshi, and Chitale (2009) conducted a study in Indore, Madhya Pradesh and found that consumers are aware about green marketing and products. This shows that for green products, the consumer base is increasing with time. This increasing

consumer base will provide marketers a large segment to target, and it will also reduce the cost per unit that will benefit organizations.

**3. Meeting with Government Legislation as well as Receiving Subsidies from the Government:** As we know, environment degradation has become a major issue for the world, and has become the sensitive part of decision making for all governments across the globe. The governments all over the globe are pressurizing organizations and industries to implement clean technologies as well as green practices/environment friendly practices.

**4. Cost Reduction:** Reduction of harmful wastes from the manufacturing processes will cut down the cost of the final product that will lead to cost reduction for the organization. Some companies have developed a symbiotic relationship in which waste material/ by-products of one company are used as raw material by another company, otherwise disposing of waste material has become a great issue.

**5. Corporate Social Responsibility:** Adopting green practices/ environment-friendly practices by the organizations will show their concern for the environment as well as for the society. Green marketing is now treated as a new approach and means of corporate social responsibility (Chowdhary & Dasani, 2013; Sheikh, 2011). Organizations can also use the fact that they are environmentally responsible as a marketing tool. This will help organizations to achieve both environmental objectives as well as profit related objectives.

## CONCLUSION

Now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception. 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. Green marketing assumes even more importance and relevance in developing countries.

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