

GREEN MARKETING IN INDIA: ASPECTS, PROBLEMS AND PROSPECTS

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The colour 'green' is ruling at present the corporate parlance, and 'green marketing' has become the buzzword in the modern business world. Green marketing is a movement followed by the business organisations to develop and follow the environmentally responsible products and practices respectively. Several business organisations all over the world including India are offering green products and services to the consumers not only as a socially responsible behaviour, but as a winning strategy in the present competitive environment. Offering genuine eco-friendly green products, communicating honest message in advertising without indulging in 'green washing', and avoiding the trap of 'green marketing myopia' by satisfying expectations of consumers while earning adequate profit for the company are the major challenges before the Indian marketers.

Key Words: Green Marketing, Green Products, Green Consumers, Green Washing, Green Marketing Myopia.

1. Introduction:

Gone are the days, when businessmen all over the world including India, used to consider 'environment' as a subject of moral and social obligations, and that too as a matter of choice.

In those days, it was all about planting a few trees, funding community based water harvesting project or donating money to turn the lighting equipments in a building to CFLs. Whether considered as a matter of charity or a corporate social responsibility, environment has always been at the periphery for Indian businessmen. However, much water has flown under the bridge. Today Indian businessmen are realizing that environmental issues are not the threats or challenges, but they can be powerful business opportunities.

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Green marketing has become the buzzword in the 21st century business world. At present, the colour green is ruling the corporate parlance. The word green is being used extensively by the marketers in the form of 'green marketing', 'green products', 'green consumers', 'green packaging' and many more. These terms connote an underlying concern for preservation of the environment and the planet on which we all live. Whether you attribute it to the need of hour or the need to survive in the severe competitive ambience, the fact is that today 'green marketing' has occupied the status of an important ultra-modern marketing strategy of businessmen. Indian marketers are busy these days trying to attract, woo and retain their environment conscious customers through marketing communications painted in green colour. Certainly, as expressed by Jacquelyn Ottman in her book "Green Marketing: Opportunity for Innovation" (1993) – 'Conventional marketing is out. Green marketing is in.'

2. Green Marketing: Origin and Development

Environmental issues are as old as human civilization itself. People have been mercilessly exploiting the natural environment throughout human history. Environmental problems, however, captured the public attention only in the recent past largely due to the major environmental tragedies that caused havoc like the leakage of toxic fumes and resultant death of more than four thousand people in Bhopal (India) in 1984, the discovery of ozone hole in 1985, the Chernobyl Nuclear Plant Disaster (Russia) in 1986, to name but a few. People all over the world were worried about several environmental problems like global warming, acid rain, depletion of ozone layer, air and water pollution, hazardous waste disposal, the buildup of solid waste etc. Anxious people expected the solutions over these problems.

It all started on the 'Earth day'- 22nd April, 1970, when a new environmentalism movement was commenced to educate people about the dangers of pollution and ecologically harmful products and practices. This new movement induced many consumers to rethink about what products they should buy and from whom. Many consumers in developed countries showed willingness to pay more prices to support truly environment friendly products and companies. Such consumer attitude sparked a major marketing thrust – 'green marketing'- the movement by companies to develop and market environmentally responsible products. True 'green work' required companies not only to prevent pollution, but practice three Rs of waste management – reducing, reusing and recycling of waste. In USA, The United States Environmental Protection Agency was formed to enforce environmental legislations. In the late 1980s,

environmental concern had multiple effects in many parts of the world.

By 1990, Earth Day became a nationwide cause punctuated by articles in major magazines and news papers ,prime time television extravaganzas , and countless events. It turned out be the just beginning of an entire 'Earth Decade' in which environmentalism became a massive worldwide force . The Earth Summit of 1992 led to the signing of several agreements and international treaties by the leaders of United Nations member countries on climate change. Several big companies like McDonald, Wal-Mart, DuPont, Dow Chemicals etc. released green advertisements to display their environmentally responsible attitude.

The previous decade was dominated by the two terms – 'sustainable development', and 'green marketing'. The term 'sustainable development' as defined by World Commission on Environment and Development refers to – 'meeting the needs of the present without compromising the ability of future generations to meet their own needs.' The aspects like sustainable development and environmental considerations were integrated in all aspects of marketing such as new product development, packaging, advertising, etc. As a consequence, in the recent past, the terms like green marketing, green products, green consumers and green advertising became familiar to Indian business world.

3. Conceptual Framework of Green Business

Green marketing is part of 'Societal Marketing Concept' which believes that social welfare and wellbeing are more important than company profits and consumer satisfaction. The terms 'green marketing', 'environmental marketing', and 'ecological marketing' are frequently used in an interchangeable manner.

(I) **Green Marketing** : According to American Marketing Association , 'green or environmental marketing consists of all activities designed to generate and facilitate any exchanges , intended to satisfy human needs and wants , which result into minimum detrimental impact on natural environment.' Thus, green marketing is marketing of those products that are presumed to be environmentally safe .It incorporates a broad range of activities, including product modification, packaging changes as well as advertisement modification etc. to ensure environment protection. According to Robert Dahlstrom (2010) , 'Green marketing' includes the study of all efforts to consume , produce , distribute , promote , package and reclaim products in a manner that is sensitive or responsive to ecological concerns .'According to The Encyclopedic Dictionary of

Marketing, 'Green marketing' is the marketing and promotion of products on the basis of environmental sensitivity and safety.' Green marketing is considered as environment friendly, sustainable and socially responsible marketing.

(ii) **Green Products** : Green products are the products designed to protect the environment. According to Jacquelyn Ottman, green products are – 'typically durable, non-toxic, made from recycled materials, or minimally packaged products.' Green products possess several characteristics such as energy efficient , non-polluting , manufactured from renewable resources with minimum packaging , causing less environmental problems , having possibility of reusing or recycling , and of course ,not containing any harmful substances. Thus , a real green product is one that respects the environment , helps in protecting it , does not cause pollution and sensitizes consumer about the need for protecting the environment .

(iii) **Green Advertising** : Green advertisements intend to communicate a persuasive 'green message' to the target consumers so as to create awareness and interest about making a contribution towards protecting the environment .They aim to educate and inspire the customers about the environmental protection and inculcate in them a sense of social responsibility . These advertisements promote a green lifestyle, and present image of the company or its products as being environment friendly .The green appeals used by the company range from launching eco-friendly products to corporate image building campaigns that stress the environment friendly credentials of the company.

(iv) **Green Consumers**: A green consumer is a consumer who takes into account the public consequences of his private consumption or who attempts to use his purchasing power to bring about the social change. He takes into account how his purchasing decision would affect social and environmental issues. Green consumer is one who avoids - the products that are likely to endanger his health or that of others ; cause significant damage to the environment during manufacture , use or disposal ; consume disproportionate amount of energy ; cause unnecessary waste ; use materials from threatened environment or species ; involve unnecessary use or cruelty to animals ; adversely affect other countries etc. In brief, green consumer is a socially responsible and environmentally conscious consumer.

4. Nature and Importance of Green Marketing

According to Ken Pettie, there are three phases in the evolution of green marketing,

such as –

- (i) Ecological Green Marketing: In this phase, companies were concerned about ecological problems and tried to find out solutions over the same.
- (ii) Environmental Green Marketing: In this phase, focus was shifted towards clean technology, and this in turn helped in designing innovative products and taking care of waste disposal and pollution.
- (iii) Sustainable Green Marketing: This concept began to gain importance during the late 1990s. Accordingly, green marketing is not for short term, but needs to be sustainable in the long term, and for this it should be able to command adequate customer support.

As resources are limited and human wants are unlimited, it has become essential for the marketers to utilize the resources efficiently without waste and achieve the organisation's objectives. Hence, green marketing has become inevitable and important. There is growing interest among the consumers all over the world including India regarding protection of environment. With increasing awareness among the masses, the buying nature is fast changing to choose environmentally responsible products and services. Taking into account the serious issues of environment protection, it has become the need of hour. Marketers have also realized that going green is not a matter of charity or social obligations, but it can be a tool of increasing revenue. By offering green products to green consumers, they can, on the one hand, join the movement of environment protection; and on the other hand, bring down the operating costs, save money and increase the profits. Considering the financial benefits and extremely competitive environment in several areas, green marketing has not remained a subject of choice. Certainly, in this competitive environment it can be an effective marketing strategy to achieve the desired success.

5. Global Green Marketing Practices

On global level, several big and small companies are adopting the green marketing practices related to new product development, packaging and distribution.

McDonald in USA, for instance, used to purchase Coca Cola syrup earlier in plastic bags encased in cardboard; but subsequently the syrup was delivered as gasoline which was pumped directly from tank trucks into storage vats at restaurants. The change saved 68 million pounds of packaging per year. All napkins, bags and tray liners used in the

McDonald's restaurants as well as all stationery items used at the McDonald's head quarters are made of recycled paper. Company earlier decided to have its drinking straw lighter by 20 % which saved 1 million pounds per year .McDonald also changed its clam shell packing with waxed paper because of increased consumer concern in relation to polystyrene production and ozone depletion.

Herman Miller, the large office furniture manufacturer, set a trend in the furniture industry when it began using tropical woods from sustainably managed sources, altering even its classic furniture lines. But it went even further reusing packaging, recapturing solvents used in staining, and burning fabric scraps and saw dust to generate energy for its manufacturing plant. These moves not only helped the environment, but also saved the Herman Miller \$ 7, 50,000 per year on energy and landfill cost.

P & G Company eliminated outer cartons from the packing of its 'Secret & Sure' deodorants saving 3.4 million pounds of paper board per annum. S, C. Johnson repackaged its Agree Plus Shampoo in a standup pouch using 80 % less plastic.

Tetra Pack, a major Swedish multi-national company, provides an example, of the power of innovative packing which is not only economical but also environmentally responsible. Tetra Pack invented an 'aseptic' package that enables milk, fruit juice and other perishable liquid food to be distributed without refrigeration or preservatives. Company promotes the benefits of its packaging to consumers directly and even initiates recycling programmes to save the environment. Coca Cola reduced the amount of aluminum, glass and plastic in its packaging by 33 %, which led to the huge savings in its transportation cost.

The great retail giant – Wal Mart buys power which is generated from renewable source of energy i.e. wind power and solar energy. Wal Mart enforces its suppliers to provide it with recycled products. In its stores, Wal Mart has opened 'eco-friendly stores' which have recycling drop off bins in its parking lots. In these stores, the air conditioning systems use non-ozone depleting refrigeration, rain water is collected from roof tops for landscaping, and the road signs are solar powered. In January 2009, Dell Computers launched the programme – 'Plant a tree for me' in partnership with The Conservation Fund and Carbon Fund Organisation which was a very good initiative to offset carbon emission.

Online charity malls like Greater Good.com, Shop For Change and I Give, allow

consumers to buy goods and have a small percentage of their purchase to go charity of their choice, green or otherwise. Then there are click-to-donate site, like The Rain forest Site, where clicking on button automatically sends donation to The Nature Conservancy, courtesy to the merchants who pay for banner ads on the site. Other mall-like sites such as ethicalshopper.com, greenhome.com and ecomall.com, offer environment friendly products from chamomile shampoo to non-chlorine bleach. Also sprouting up are individual vendors like dolphinblue.com, which sells recycled papers and office supplies, and ecobaby.com, which sells environment safe baby products.

6. Green Marketing Applications in India

In India, along with the awareness, application of green marketing operations are increasing. Several companies are consciously adopting green marketing practices.

In 2010, Wipro Technologies switched to green infrastructure in combination with new IT initiatives in visualization which helped company to reduce electricity consumption by nearly 75 million units with a reduction of 6000 tons of carbon. Smart Print Management Programme of Wipro reduced the print volume by 44 %. According to 2009 ranking of the Green Peace Organisation, Wipro is the India's No.1 green brand. Wipro InfoTech was the first company to launch environment friendly computer peripherals. For the Indian market, Wipro launched a new range of desk tops and lap tops called as 'Wipro Green Wares'. These products are RoHS (Restrictions of Hazardous Substances) Compliant, thus reducing e-waste in the environment.

During the years 2007-10, Infosys Company reduced per capita energy consumption by \$ 5 million. In a company whose electricity bill is about \$ 25 million for India operations alone, a 20 % savings makes a huge difference. Company has signed up contracts with entrepreneurs to supply the energy generated by wind mills.

Nokia India's research and development team is busy at present over developing a common mobile phone charger, and imagining ways and means of reducing use of paper and energy. In 2010, Idea Company has also successfully run the advertising campaign – 'Use mobile phone, save paper'.

Research and development team of Arcelor Mittal India Limited is continuously working on finding sustainable low carbon technical and product solutions. The company is leading the Europe's ultra-low CO₂ steel making initiatives. In 2008, approx. 25 % of the crude steel was manufactured through recycling of scraps. Iron is 100 %

recyclable; therefore, has direct impact on reduction of requirements of fresh resources.

Kensai Nerolac worked on removing hazardous heavy metals from their paints like lead, mercury, chromium, arsenic and antimony. Lead in paint especially poses danger to human health – particularly to central nervous system, kidney and reproductive system.

Tata Motors has set up eco-friendly show rooms using natural building materials for its flooring and energy efficient lights. The Indian Hotels company, which runs Taj Chain, has created eco rooms with energy efficient mini bars, organic bed linen and napkins made from recycled paper.

State Bank of India has initiated Green Channel Counters providing many green services such as using eco-friendly equipments in its more than 10,000 ATMs; initiating all money transactions through SBI shopping and ATMs resulting the less use of paper etc. SBI has turned to wind energy to reduce emissions which is a first step in SBI's Green Baking Programme dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the clients of bank.

7. Problems and Challenges of Green Marketing

The biggest challenge before marketers is how to communicate their commitment for 'going green', their green objectives and their green initiatives with credibility. Companies have to refrain themselves from indulging in deceptive environmental claims and emphasize on specific, accurate and clearly understandable claims. In this context, marketers may come across two types of problems – Green Myopia and Green Washing.

(i) Green Myopia:

In 1960, great 'Marketing Guru' Theodore Levitt introduced in an article published in Harvard Business Review, the concept of 'Marketing Myopia'. In this article, he characterized the common pitfall of tunnel vision of business organizations which focused on 'managing products' (i.e. modifying product features, uses etc.) instead of 'meeting consumer needs' (i.e. adapting to consumer expectations and anticipation of future desires). Levitt warned that a corporate preoccupation on products rather than consumer needs was doomed to failure because consumers select those products that offer benefits they desire. In case of green marketing, two objectives are important – improving environmental quality through green products, and satisfying the

expectations of consumers. Misjudging either or overemphasizing the earlier is referred as 'green marketing myopia'. Many green products fail because several marketers focus more on 'greenness of their products' without considering the basic expectations of consumers regarding product features, uses and price.

(ii) Green Washing:

According to The Encyclopedic Dictionary of Marketing, 'Green washing means the advertising which exploits the environmental issues.' In a broader perspective, the term 'green washing' refers to all business units outwardly adopting green acts with an underlying purpose of increasing the profits. The primary objective of green washing is to provide consumers with the feeling that the organisation is taking the necessary steps to manage responsibly its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial.

With so many business organisations shouting from rooftops about their green practices, it is difficult for a layman to differentiate genuine green marketing practices from green washing tactics. (Thanks to the concepts like ISO 1400 and Green Globe Certification, which are helping consumers in identifying responsible products and companies.)

Firms practicing green marketing have the challenge of ensuring that their practices are not misleading and violating any rules regarding environmental protection. Firms have to also explain the benefits of green marketing to obtain support of consumers. It is equally essential that companies should manufacture such green products which are inexpensive and of good quality, satisfying the expectations of consumers.

8. Green Marketing in India: Present Trends and Future Prospects

At present, all over the world, the word and colour 'green' is being extensively used in marketing communications. Awareness towards the terms like 'green marketing', 'green products', 'green packaging' etc. is increasing in Indian society. These terms are playing a vital role in informing the consumers about the pro-environmental aspects of the products and services. The growing concern for environment, the need for projecting the image of socially responsible company and external pressures from government, non-government organisations and competitors are some of the aspects which have prompted several companies to adopt the green marketing practices. More and more Indian companies are going green by launching green products and adopting green practices. Conventional customers are being transformed into green

customers who are ready to pay higher price to pay eco-friendly products. They are showing keen interest in everything that is green, be it organic food, hybrid cars, energy saving appliances, carpooling, using bio-degradable or recycled products (like recycled cans, bottles, and news papers), using products functioning on renewable resources etc.

Indian companies are trying to satisfy the expectations of such green consumers by offering the green products and communicating persuasive messages through green advertising. Several marketers today are working to ensure that their products or brands gain the green credentials and achieve greater relevance for environment conscious consumer's. Many Indian companies are highlighting their involvement with nature through advertisements depicting beautiful imagery using the colour or word green in the advertisement copy. The companies like L & T, Tata BP Solar India Ltd., Suzlon and Juoti Laboratories are trying to make green appeals in their messages. However, majority of these so-called 'green advertisements' are misleading, inaccurate and have false eco-friendly practices. Very few advertisements clearly articulate the environmental benefits of the product or discuss the specific environmental actions initiated by the company. Such trend is frequently observed in the advertisements of automobile companies, where the use of words in claims – 'eco-friendly', 'hybrid cars', 'fuel efficient engines' etc. are frequently fake and are due to severe competition. Similarly advertisements of housing construction companies frequently use green colour in the background or use the words – 'green projects', 'eco-friendly homes' etc. in the copy merely to deceive and create a false impression of environmentally responsible activities. As a consequence, such so-called green advertisements in India are not so credible from consumers' point of view. Green consumers are found to be skeptical about these advertisements in general.

Green marketing movement in India is expected to enter into a more mature phase. Gone are the hastily prepared environmental pitches, and designing of products to capitalize or even to exploit growing public concern. In future, dressing up of advertisements with pictures of birds and trees with green background will no longer woo an environmentally conscious audience. People now want to know the exact green practices adopted by the company in its manufacturing, packaging and distributional activities.

9. Principles to be remembered by Green Marketers of India

For the successful application of green marketing strategy, it is essential to consider the

following principles or rules by Indian marketers –

- (I) Know your customer: Before you launch a green marketing campaign, it is essential to know the prospective customers' profile i.e. their educational and occupational background, their income and spending pattern etc.
- (ii) Educate your customers: For the desired red carpet welcome to your green products, customers should know the exact features of your products that might contribute to environment protection.
- (iii) Convert customers into green customers: Through effective green advertising and other forms of marketing communications convince the customers to understand and follow environment friendly decisions and activities.
- (iv) Justify your pricing: If you are charging premium price to your green product, justify the same in a convincing manner. Be transparent and genuine. Communicate effectively to explain how your acts are in consistent with the claims in the advertisement.
- (v) Assure about the product quality: Customers must be assured that there is no compromise with the product quality in the name of environment.
- (vi) Avoid the trap of 'Green Washing' and 'Green Marketing Myopia': While offering green products, companies will have to ensure that such products are inexpensive and capable of satisfying customer expectations. In other words, businessmen will have to face the challenge of both the problems – green washing and green marketing myopia for the successful application of green marketing.

On the whole, it can be said that companies need to believe first that green marketing can work and undertake diligent efforts to make necessary product improvements. It is essential that companies should not only manufacture good quality green products, but explain about the same more effectively to the consumers. Companies have to integrate green marketing strategy into all the 4 Ps of marketing mix. Consumers, suppliers, distributors and retailers – all need to be made aware of green marketing and its benefits. Green marketing strategy, to be successful, must be included in the company's overall corporate strategy, and should be considered as a visionary goal to be achieved through continuous improvements and efforts.

10. Conclusion

Green is here to stay .Marketers all over the world have accepted this fact. Indian businessmen have acknowledged that green marketing concept as savior for the mankind. However, although awareness as well as appreciation towards green marketing is increasing in India, genuine as well as responsible application of green marketing practices is expected in future. In a developing country like India where resources are scarce and environment is extremely competitive in several areas, the terms like 'environmentalism', 'sustainable development' and 'green marketing' are likely to play a very important role in the nearest future. Fortunately, Indian marketers have realized that green marketing concept is neither merely an act of corporate social responsibility nor a futile fad, but it is definitely going to be a winning marketing strategy in the years to come.

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