

Green Marketing in India: Challenges and Opportunities

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ABSTRACT

Green marketing has emerged as a notable trend within the industry today. This approach has led to the rebranding and repackaging of existing products to meet eco-friendly standards. Additionally, the advent of green marketing firms has enabled companies to jointly market their products along specific environmentally friendly lines. However, this has also led to situations where the environmental attributes of some products are highlighted over others. This discussion delves into the realm of green marketing, examining both the challenges and opportunities it presents for businesses engaged in this practice. It further discusses the reasons behind companies' adoption of green marketing strategies and concludes with the observation that green marketing is both increasingly practiced and in demand.

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Introduction:

According to the American Marketing Association, green marketing refers to the promotion of products believed to be environmentally benign. Therefore, green marketing encompasses a wide array of initiatives, including-

1. Adjusting product features,
2. Alterations in manufacturing methods,
3. Revisions to packaging designs, and
4. Transforming advertising approaches.

In the late 1980s and early 1990s, the concept of **green marketing** gained prominence. The American Marketing Association (AMA) organized the inaugural workshop on "Ecological Marketing" in 1975. The outcomes of this workshop led to the creation of one of the earliest books on green marketing titled "Ecological Marketing." The workshop's findings were released as "Ecological Marketing," among the earliest works discussing green marketing. As such, Green Marketing encompasses a range of actions like adjusting products, changing production processes, modifying packaging, and refining advertising strategies. However, defining Green Marketing poses challenges

due to the blending and conflicting interpretations of its various meanings. Environmental concerns and issues are primary drivers behind the emergence of Green Marketing. According to the American Marketing Association, Green Marketing entails promoting environmentally friendly products. It encompasses a spectrum of activities, including product adjustments, shifts in production processes, packaging alterations, and adjustments in advertising strategies. Green Marketing involves the responsible disposal of items, products, and services to minimize harm to the environment, addressing issues like global warming, non-biodegradable waste, and pollution. With increasing awareness of such matters, both marketers and consumers are showing greater sensitivity towards adopting green products and services. Many perceive Green Marketing as the promotion and advertisement of products with environmental attributes, often associated with characteristics like being phosphate-free, recyclable, refillable, ozone-friendly, and overall, eco-friendly.

According to American Marketing Association – "Green marketing is the marketing of products that are presumed to be environmentally safe."

According to Polonsky, 1994 – “Green or Environmental 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.

Pride & Farrell (1993) Green marketing, also known as alternative marketing and sustainable marketing, refers to the company's efforts to design, promote, price, and distribute products that are not harmful to the environment.

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. The assumption of green marketing is that potential consumers will view a product or service's “greenness” as a benefit and base their buying decision accordingly. The consumers may be willing to pay more for green products than they would for a less-green product.

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Therefore, the notion of "green marketing" is grounded in reality, encompassing actions that facilitate the implementation and adoption of policies, programs, and practices supportive of environmental conservation. It also pertains to the broader marketing concept of manufacturing, selling, consuming, and disposing of products and services in a manner less detrimental to the environment, particularly concerning issues like global warming, non-biodegradable waste, and the adverse impacts of pollutants. As awareness continues to grow, both marketers and consumers are recognizing the importance of transitioning to green products and services. While the initial shift to "green" may appear costly, it ultimately proves to be profitable and cost-effective in the long term.

Literature Review

Protero, A. (1998) highlighted multiple studies in the July 1998 issue of the Journal of Marketing Management that delve into green marketing. These include a review of existing literature on the subject, an empirical investigation involving marketing managers from the United States and Australia, a practical look at the Green Alliance in Great Britain, and various definitions of green marketing.

Protero, A. and Fitchett, J.A. (2000) contended that leveraging the attributes of commodity culture within a capitalist framework could enhance environmental awareness and further ecological objectives. They proposed that marketing can play a crucial role in fostering more sustainable societies by acting ethically in both the promotion and communication of consumer goods.

Hansen, E., and Juslin, H. (2003) suggest that proactive marketers genuinely engage in environmental marketing on a voluntary basis and seek competitive advantages through eco-friendly practices. Their findings also support the hypothesis that green values, environmental marketing strategies, structures, and functions are logically interconnected, as predicted by the environmental marketing model guiding their study.

Sanjay K. Jain & Gurmeet Kaur explored in their 2004 study, the rapidly emerging global phenomenon of environmentalism. They discussed how business firms have responded to environmental challenges by adopting green marketing strategies. The study highlighted the catalytic role of green consumerism in promoting corporate environmentalism and orienting businesses towards green marketing. Utilizing data from a field survey, the paper assessed the level of environmental awareness, attitudes, and behaviors among consumers in India.

Donaldson (2005) observed in his research that overall, environmental attitudes among British consumers have improved. However, the study found that while consumers tend to trust well-known brands, their actions weakly reflect "green" claims. This discrepancy between beliefs and behavior is a primary reason why consumers do not extend their environmental concerns into their actions.

Alasmadi (2007) found a significant level of environmental consciousness among Jordanian consumers through an analysis of their behaviors. However, despite a favorable attitude towards "green" products, traditional product loyalty and skepticism towards green advertising limited the influence of these preferences on their purchasing decisions. This situation was compounded by many organizations' lack of environmental commitment and the high prices of eco-friendly products, which often came with superficial assessments of environmental responsibility. Similar findings have been reported in other studies by Ottman (2004), Donaldson (2005), and Cleveland et al. (2005).

Brahma, M., and Dande, R. (2008), an article in The Economic Times, Mumbai, claiming that Green Ventures India is a New York-based asset

management company affiliate of Green Ventures internationally. The latter recently announced a \$ 300 million India-centric fund supporting trade in renewable energy products and carbon credits. In the case of developing countries, green consumption is widely known, and there is awareness and knowledge on green products in various aspects of green consumption, eco-labels and product dependence, consumer awareness in dealing with environmental degradation. Consumers can also be seen as socially and environmentally friendly with concern and their selfless quality. Good for green products (Mosafa, 2009; Rahbar & Wahid, 2011 and Zuwahir et al., 2012). Unlike the following developing countries (Khare, 2014), India has been tested as a relatively new additional research on green exports.

Objectives of the Study

The present research is guided by the following objectives:

- a. To delve into the concept of green marketing.
- b. To examine the obstacles and possibilities presented by green marketing.

Research Methodology

Research is exploratory; it focuses on literature reviews, newspapers, magazines, websites, and other trusted sources.

Concept of Green Marketing:

Green marketing involves promoting products that are environmentally friendlier compared to their alternatives. This strategy not only includes marketing practices but also encompasses product modifications, changes in production processes, sustainable packaging, and eco-conscious advertising. The concept of green marketing first emerged during the "Ecological Marketing" seminar hosted by the American Marketing Association (AMA) in 1975 and subsequently entered academic discussions. It gained popularity in the late 1980s and early 1990s, marked notably by the publication of books titled "Green Marketing" by Ken Petty in 1992 in the UK and Jacqueline Otman in 1993 in the US. Petty (2001) identifies three phases in the evolution of green marketing:

- a) The initial stage, known as "ecological" green marketing, centers on marketing activities that contribute to solving environmental problems and enhancing environmental issues.
- b) The subsequent stage, referred to as "environmental" green marketing, emphasizes the adoption of clean technologies and the creation of innovative products designed to minimize pollution and waste.

c) The final stage, called "sustainable" green marketing, emerged in the late 1990s and early 2000s. This phase focuses on developing high-quality products that meet consumer needs while also prioritizing environmental friendliness, quality, performance, price, and convenience.

In essence, green marketing offers avenues for promotion and expansion of businesses. While adjustments to business or production methods may involve initial expenses, they often lead to long-term savings. For instance, investing in solar power installation represents a commitment to future energy cost reductions. By innovating and offering superior products and services that prioritize environmental considerations, businesses open up access to new markets, enhance profitability, and establish a competitive edge over marketing non-environmentally responsible alternatives. Various explanations exist in the literature for the growing adoption of green marketing by companies.

Here are five potential reasons:

- Companies view environmental marketing as a chance to fulfill their objectives.
- Organizations perceive a moral imperative to enhance their social responsibility.
- Regulatory bodies are increasingly compelling companies to enact changes.
- Competitive environmental initiatives exert pressure on companies to adjust their marketing approaches.
- Businesses may find it necessary to alter their practices due to cost considerations related to waste management or reduced material consumption.

Green Marketing Mix

The green marketing mix is a concept that applies the traditional marketing mix (the 4 P's : Product, Price, Place, Promotion) to environmentally friendly products and practices.



➤ **Product:** The aim in product planning from an environmental standpoint is to diminish resource consumption and pollution while enhancing the preservation of limited resources.

- **Price:** The cost of these products might be slightly elevated compared to others because of the superior quality of materials used.
- **Place:** The selection of the availability and timing of a product holds considerable influence over consumers. Only a small portion of customers proceed to purchase environmentally friendly products.
- **Promotion:** Green advertising can be categorized into three main groups:
 - i. Messages that emphasize the connection between a product or service and the natural environment.
 - ii. Promotion of eco-friendly lifestyles by showcasing a product or service.
 - iii. Advertisements that showcase a company's commitment to environmental responsibility through its corporate image.

Examples of Green Marketing in India:

As India advances swiftly in industrialization, concerns voiced by environmentalists from diverse backgrounds highlight the environmental repercussions. Companies are increasingly cognizant of how their industrial activities can impact the ecosystem and are thus embracing environmentally sustainable practices for success.

- **Tata Metaliks Limited:** In the mining and metal sector, Tata Metaliks Limited is committed to adopting environmentally friendly practices to minimize its carbon footprint. The company's goal is to enhance greenery by focusing on activities such as tree planting, groundwater conservation, sustainable power generation, and the use of natural fertilizers. Notably, its primary green initiatives revolve around water management, where it relies solely on groundwater sources in areas without municipal supply, aiming for fully water-neutral operations.
- **Suzlon Energy:** Suzlon energy also going green. Suzlon is the world's 4th largest wind power company among the greenest and best company in India. It is a renewable company manufacturer and produce wind Turbines, now Suzlon 30% power of renewable energy in India. It meets the need of present without compromising the capacity of future generation to meet their needs. Its total revenue was \$ 4.18 billion in 2011.
- **Electronics sector:** In the consumer electronics industry, there's an opportunity to leverage green marketing strategies to appeal to prospective customers. For instance, HP pledged to reduce its

global energy consumption by 20% by 2010. To achieve this goal, The Hewlett-Packard Company unveiled strategies aimed at offering energy-efficient products and services while implementing energy-saving practices across its global facilities.

- **Introduction of CNG in Delhi:** New Delhi, the capital of India, witnessed rapid pollution escalation until the intervention of the Supreme Court of India prompted a shift to alternative fuels. In 2002, a directive was issued mandating the full transition to Compressed Natural Gas (CNG) across all public transportation systems to mitigate pollution.
- **Maruti Udyog Ltd: Greening of Supply Chain:** The company has consistently exceeded regulatory standards in its commitment to environmental preservation and energy conservation within its manufacturing plants. Additionally, it prioritizes the development of products that minimize natural resource usage and promote environmental friendliness.

Golden Rules of Green Marketing:

1. Understand your customer: Ensure that your customers are aware of and concerned about the environmental issues your product addresses.
2. Educate your customers: Provide information about your environmental initiatives and why they are important.
3. Be transparent and realistic:
 - Ensure that your green marketing claims align with your actual practices.
 - Adapt your business policies to promote environmental sustainability.
4. Provide assurance to buyers: Assure customers that your product maintains its quality while being environmentally friendly.
5. Consider pricing: If your product carries a premium due to its eco-friendly nature, optimize production costs and use high-quality materials to justify the price.
6. Engage customers: Offer personalized benefits from your eco-friendly actions, encouraging customer participation in positive environmental actions.

Challenges in Green Marketing:

1. Novelty: While educated urban consumers in India are becoming familiar with the benefits of green products, the concept remains new to the masses. Efforts are required to disseminate green

movements to broader audiences, which demands time and resources.

2. **Cost Considerations:** Implementing green marketing involves investment in green products, technology, energy, and R&D, leading to significant expenses. These costs can sometimes exceed budgets, resulting in financial challenges.
3. **Customer Persuasion:** Customers may exhibit skepticism towards organizations' green marketing strategies. It's crucial for companies to take proactive measures to earn customer trust and confidence in their green products.
4. **Sustainability:** Green products and technologies often come with higher price tags, yielding minimal initial profits. Successful green marketing requires long-term planning and commitment, avoiding short-sighted strategies that prioritize immediate gains over sustainable practices. Companies engaging in green marketing must effectively communicate the long-term benefits to shareholders.
5. **Avoiding Green Myopia:** Green marketing should strive to achieve two objectives: environmental improvement and customer satisfaction. Focusing solely on cost-cutting or excessively emphasizing previous achievements can lead to what's termed as green marketing myopia.

Organizations are increasingly adopting green marketing due to several compelling reasons:

1. **Opportunities:** Companies recognize shifts in consumer demand as opportunities to gain a competitive edge by offering environmentally responsible alternatives. Examples include McDonald's switching to waxed clamshell packaging in response to concerns over polystyrene production and ozone depletion, and tuna growers modifying fishing practices to address concerns about driftnet fishing and dolphin deaths.
2. **Government Pressure:** Regulatory measures aimed at protecting consumers and the environment influence green marketing strategies. Government regulations focus on reducing production of harmful goods, controlling hazardous waste generation, and mandating environmental disclosures, prompting companies to comply and innovate.
3. **Competitive Pressure:** Companies feel compelled to adopt environmentally friendly practices to remain competitive. They often emulate competitors' environmental initiatives and may collectively improve industry practices. For

instance, the cessation of driftnet usage by one biomass company prompted others to follow suit.

4. **Social Responsibility:** Organizations recognize their role as members of a broader community and embrace environmental responsibility as part of their corporate ethos. Integrating environmental goals with profit objectives becomes part of the company's culture.
5. **Profitability and Cost Management:** Green marketing can address cost and profit-related challenges. Companies seek to reduce expenses associated with waste disposal, such as PCB-contaminated soils, by implementing environmentally friendly practices. This may involve re-evaluating production processes, finding markets for waste materials, or creating symbiotic relationships where one company's waste becomes another's resource.

Suggestions:

1. **Research and Exploration:** Conduct extensive research to uncover green marketing opportunities and address challenges. This involves understanding customer awareness and concerns, which can be facilitated through green marketing campaigns and advertising.
2. **Consumer Engagement:** Motivate consumers to prioritize green alternatives by empowering them to make a difference through their purchasing decisions. Consumer empowerment is a key driver for the adoption of green products.
3. **Credibility and Transparency:** Ensure the legitimacy of green products by maintaining credibility through honest claims and promises. It's crucial for sellers to avoid false representations.
4. **Government Involvement:** Effective implementation of green marketing relies on supportive government policies and enforcement. Stringent laws and regulations are necessary to enforce environmental standards and encourage green practices.
5. **Collaboration:** Foster collaboration among consumers, organizations, and governments to collectively minimize environmental impact. By working together towards common environmental goals, they can create a more sustainable world.
6. **Affordability and Convenience:** Green products should be pocket-friendly and convenient for consumers to encourage widespread adoption. Balancing environmental benefits with consumer affordability is essential.

7. Elevating Green Marketing: Despite being undervalued in many business agendas, green marketing can serve as a unique selling proposition (USP) with significant potential. Targeted and effective green marketing efforts can make a substantial difference in driving sustainable consumption patterns.

Conclusion:

Green marketing is a crucial tool for safeguarding the environment for future generations, although it's a complex concept that requires careful planning and research. While adoption may pose challenges initially, it promises significant long-term benefits for organizations. In India, green marketing is still in its nascent stages, presenting abundant opportunities for growth. Given the global imperative to combat pollution, stringent regulations worldwide can drive substantial changes in business practices. From a business standpoint, effective green marketing involves assuring and engaging consumers while recognizing its environmental and social dimensions. Given the urgency of addressing climate change, green marketing must become the norm rather than an exception. This entails systematic and widespread recycling practices, as well as the adoption of energy-efficient technologies. In the Indian market, consumers are increasingly willing to pay a premium for eco-friendly products, reflecting a growing demand for sustainability. However, addressing consumption patterns and shifting consumer attitudes towards eco-friendly lifestyles requires concerted efforts. It's essential for companies to lead by example, producing environmentally responsible products and encouraging suppliers to do the same. Ultimately, the integration of environmental considerations into corporate culture is crucial for minimizing the adverse environmental impacts of business operations. Consumers, industrial buyers, and regulatory bodies play pivotal roles in driving this transformation towards a cleaner, greener future.

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