

## Green Marketing –Practices and Challenges in the Indian Context

Ambica Prakash Mani\*, Samridhi Bhandari

Department of Commerce  
Graphic Era (Deemed to be University), Dehradun, Uttarakhand, India  
\*Corresponding author: ambicamani9@gmail.com

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### Abstract

This research is an attempt to explain the concept of green marketing and practices that are adopted by some renowned companies in India. Green marketing is the practice of producing, using, consuming, recycling and disposing products that are less burdensome for the environment. The concept gained popularity when environmental concerns started occupying the centre stage and ecological concerns were riding everyone's mind. During this time a new segment of consumers appeared on the timeline, these consumers are referred as green consumers, particular due to their concern for environmental issues. These consumers displayed green purchasing by adopting products that are non toxic and have less ecological concerns. The concerns of these consumers were reciprocated by a number of leading companies that are adopting practices for protecting and preserving the flora and fauna, there by bearing the flag for sustainable development.

**Keywords-**Green Marketing, Green Consumer, Sustainable Development.

### 1. Introduction

The resources on the planet are becoming scantier and human needs are insatiable. This has sparked an interest amongst the consumers to not cause harm to the environment anymore. This rocketing awareness has compelled the businesses to opt for eco-friendly practices. The term Green Marketing was coined in 1980 and developments resulted in integrating marketing concerns in all domains from product design and sourcing to manufacturing. It is basically an extension of marketing orientation in environmental context. Businesses today are more environmental conscious which has lead to the advent of an era of recyclable and eco-friendly products by adopting Green Marketing.

Green Marketing refers to marketing of ecologically sound products in a sustainable manner to reduce the company's carbon footprint. It is company's orientation and philosophy that aims to understand customer needs and expectations and mobilizing the entire company and satisfying consumer needs. According to the American Marketing Association (2011), green marketing is the marketing of products that are presumed to be environmentally safe. This approach reflects the company's responsibility towards environment. It includes variety of activities like product modification, changes to the production process, packaging changes, modifying advertising and reducing production waste or energy costs.

## **2. Research Methodology**

The research paper is exploratory in nature and is based on secondary data. A number of research papers published in renowned journal are studied to build conceptual basis of green marketing. Valuable insights about the green marketing practices have been gathered from companies websites. Other sources include conference proceedings and reports. The objectives of this research paper is as following:

- To understand the concept and importance of green marketing.
- To explore the different green practices adopted by renowned companies.
- To understand the challenges that exist in applying green practices.

## **3. Literature Review**

According to Chen and Chai (2010), the world increased enormously in the last decade and the resources started shrinking. As consumers now understand the impact of their buying habits and behavior on the environment, they've started adopting various green practices like recycling, saving paper and electricity, avoiding the use of aerosols, encouraging the use of biodegradable products, use of organic and vegan food, etc. This kind of responsible behaviour is needed as unplanned buying can severely and irreparable damage the environment according to Grunert (1993). Pickett-Baker and Ozaki (2008) advocated that there exists a correlation between consumers' environmental beliefs and their confidence on the performance of green products. In a paper by Singh and Pandey (2012), it was noted that the Indian consumers were showing an increased interest in green products, and if the consumers are aware of the price, quality and features, performance and other benefits of different green products through green marketing, the use of such products will increase. Mishra and Sharma (2010) stated that Indian customers have faith in herbal and ayurvedic products, and have been using them for so many years for health and beauty purposes. There are a number of other studies that confirm that there is marked differences between the consumers beliefs and practices. Rokka and Uusitalo. (2008) claimed that the purchase behaviour of consumers having very high consciousness towards green marketing do not buy these products.

## **4. Historical Evolution**

Green Marketing came into existence in late 1880s after The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. Corporate Social Responsibility (CSR) reports started with an ice cream seller where the financial report was supplemented by a greater view on the company's environmental impact. In 1987, 'World Commission on Environment and Development' prepared a document that defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need". This came to be known as Brundtland. The need for green marketing arose when the realization about the limited nature of resources became appaerent. The first wave of green marketing occured when books on green marketing got published. The second wave emerged in the years after 2000 with CSR and the Triple Bottom Line (TBL)

being widespread. A number of efforts were made at the macro level to spread awareness about green Marketing and scientific-environmental arguments were spread amongst the public.

Today's new marketing approach incorporates green marketing which involves a wide range of changes in process, manufacturing and promoting products and services that provide satisfaction to customers without causing any detrimental effect to the environment. As awareness about impending environmental concerns like global warming and ozone layer depletion is increasing, more and more companies these days are becoming aware of the fact that they must also act in this regard in order to combat climate change. Apart from environmental concerns, green marketing also involves social and economic concerns. Even the consumers admire a healthy and better life and always desire to buy eco-friendly products. They feel a sense of satisfaction when they buy 'green' products as they feel that they have contributed their bit in protecting the environment. Eco-friendly products fulfill the following criteria.

- products that don't contain toxic material
- products that are recyclable and disposable
- products that don't cause pollution
- products that are produced naturally without harming any animal and nature
- products that are not tested on animals.

Green marketing should not be confused as a catch phrase. It is a marketing strategy and adopting it helps in winning trust and goodwill and gets often translated into bigger profits. Chauhan and Chaturvedi (2015) identified some key points for successful green marketing. Being genuine is recommended. This means that there is no difference between words and practice. The business practices are actually conducive for the environment. Spreading a word helps in bringing about the much needed education amongst the masses. The need to know and empower the customer is also needed or else the customer may completely ignore the offer without realizing the positive side of it. Transparency is equally valuable as it helps in building the legitimacy of the offer. A number of companies are adopting green marketing. Some initiatives of selected companies are as following.

## **5. TATA Motors**

Apart from petrol and diesel-run vehicles, the company sells vehicles like The Ace CNG, Indigo XL CNG running on alternate fuels such as CNG in the domestic markets. The Ace and Indica Electric Vehicles are available in its export markets. It makes efforts to make environment-friendly engines. Tata Motors was the first Indian company to introduce vehicles with Euro (emission) norms well ahead of the mandated date. Tata vehicles meet the European End-of-Life vehicle norms for maintenance of metallic and non-metallic balance in terms of materials used for manufacturing its cars.

## **6. Taj Hotels**

Taj Hotels Resorts and Palaces follows green practices that conform with Green Globe Standards. It launched EARTH (Environment Awareness and Renewal at Taj Hotels), an initiative that works to minimize the impact of its businesses on the environment. Kitchen waste and dry leaves are converted into compost, wasted paper is recycled into writing pads, old bedsheets are used to make linen bags and cotton napkins. At Lake Palace, Udaipur which is in the middle of Pichola Lake, the Taj ensures avoiding spoiling the lake water and harming its marine life. The Taj Garden Retreat at Kumarakom, is located near the Vembanad Lake and the Kumarakom Bird Sanctuary which is home to variety of migratory birds. The hotel uses special lighting to reduce the glare so as not to disturb animal life. In 2011, Taj Exotica Resort and Spa, Maldives in partnership with Ocean Dive Maldives initiated Reef Recharge, which is aimed to increase the coral coverage near the resort and create a healthy reef ecosystem. Rambagh Palace installed a 2.1 MW wind turbine generator at a wind farm at Kaladongar in Jaisalmer, which currently supplies 70% of annual electricity requirements of the Palace.

## **7. HP**

HP's inkjet recycling was introduced in 2005, and it achieved resource reduction through recycling. Between 2005 and 2010 recycling reduced the carbon footprint of the inkjet cartridges by 22 percent, cut fossil fuel use in half and reduced water use by 69 percent. It has launched various energy-efficiency programmes like Closed Loop recycling programme, the use of recycled content in hardware, HP Managed Print Services, innovative packaging and designs. Seagate Technology, a HP supplier, used 11 per cent less energy in 2013 to produce hard drives compared to its 2008 baseline. By 2020, the company aims to reduce its first-tier manufacturing and product transportation-related GHG emissions intensity by 20 percent.

## **8. Pepsi Co.**

Pepsi was awarded Stockholm Industry Water Award in 2012 for its efforts to reduce energy and water usage across its business operations. Its sustainability efforts also include working with farmers to monitor water usage and carbon emissions and maximize crop yields. In 2011, it launched a petroleum-free bottle which was 100% recyclable. It was made from bio-based raw materials, including switch grass, pine bark and corn husks. As part of its 2025 Performance with Purpose (PWP) agenda, it has pledged to reduce food waste by 50 percent in its direct operations by 2025.

## **9. Green Marketing Mix**

### ***Product***

Product is referred to tangible component. Companies must produce eco-friendly products which apart from satisfying needs of customers also maintain ecological balance and do not cause harm to the environment.

### ***Price***

Most customers will be willing to pay for additional value if they feel that the product will really give them extra value. Price of eco-friendly products must be reasonable enough to encourage purchase.

### ***Place***

Packaging addressing environmental concerns must be used. Companies should focus on ecological packaging and ensure that their logistics operations do not cause pollution. The usage of alternate, environmental friendly, biodegradable material may be focused upon to address environmental concerns.

### ***Promotion***

Communication with various stakeholders must stress on environmental aspect. Advertisements must also present a corporate image of environmental responsibility. This also help in maintaining a good image and reputation of the company.

## **10. Challenges**

The biggest challenge in the application of green marketing practices is sustainability. The time taken for these practices to bear profits is long and often unpredictable as the initial stages of the implementation stages are associated with huge costs and often bring heavy expenses for the firm. The firms adopting these practices should have a long term horizon. Secondly the efforts and patience of the firm goes unrewarded as customers look for convenience and cost advantage in patronizing the products and ignore the environmental concerns of the organization.

## **11. Conclusions and Road Ahead**

Green marketing is still in infancy stage. There is long way to go. There has been significant pressure from government bodies to incorporate green marketing practices. The lack of wide acceptability is due to half-hearted concerns. Some key concerns are regarding investments in R&D and sophisticated technology. Lack of awareness amongst masses is another area. Often the material that can be recycled is costly. Usually the consumers not willing to pay a premium for green products.

In order to protect the environment from degradation, it is essential for businesses to adopt green marketing and encourage people to adopt a green lifestyle by purchasing eco-friendly products. Owing to the increasing awareness about global warming and climate change, it's the duty of every company to look for solutions to maintain ecology. The same should also be translated in the buying behaviour of the consumers who should not only be appreciative but should adopt the products and be ready to bear the associated cost, as producing environmental friendly products require a mark up over the normal cost. Green Marketing is a vision and in the long term will not only help in reducing the costs but also improving the goodwill of the

company. It also paves way towards creation of a healthy, safe and happy environment and this is the biggest gift that can be given to the future generations.

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