

IMPACT OF GREEN MARKETING ON INDIAN ECONOMY

Naina Kaur	<i>Assistant Professor, Mata Sundri College for Women</i>
Puneet Kaur Dhingra	<i>Research Scholar, Indian Institute of Foreign Trade</i>

ABSTRACT

Article DOI URL: <https://doi.org/10.36713/epra3182>

Green marketing is growing at a rapid pace and has become the latest buzzword for the society, where firms are putting extra efforts for a greener world, while adopting latest and innovative production methodology. On the other hand, consumers are equally interested in switching brands or even paying a premium for a greener alternative with a view of indulging in a healthy and safe lifestyle. This study would emphasis on environmental marketing strategies, its sustainability as well as the 4 components of green marketing mix. This paper would highlight the nature of environmental marketing, how imperative it is to produce and sell green products, which initiates a step towards saving our nature with its benefits, while also discussing its inhibitors related to eco-marketing. Nevertheless, this research would analyse the importance and need of green marketing for growing Indian companies, deducing from the fact that not only customers are changing their buying preferences but multinational organizations are also taking mammoth steps to produce green products or services in order to protect depletion of ozone layer.

KEYWORDS: *green marketing, sustainability, green products, green consumers, eco-marketing*

1. INTRODUCTION

Green means unadulterated and equitable dealing, whereas marketing means examining, stimulating, trading, and dispensing your products or services. Green marketing refers to marketing of goods and rendering services based on renewable and environmental welfare, which is also termed as sustainable marketing, environmental marketing or ecological marketing. These terms collectively have integrated capacious range of activities such as; product refitting, production techniques and approach, twisting green into a part of brand's packaging, as well as brand marketing strategies. Green Marketing is the most recent and developed drift market, which lubricates struggle for the eco-friendly environment and making efforts to discard usage of harmful as well as toxic products that can lead to detrimental effects on mankind, wildlife and their habitat (Rajeshkumar, 2012). With the climatic changes and global warming, consumers are wilfully adopting green products and becoming green consumers. Green marketing can also be termed as comprehensive marketing approach, wherein both buyers and marketers have become sensitives toward the greener product or services in a

manner that is less detrimental to the environment. Nowadays, government as well as the businesses are conducting social campaigns to create awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc, through TV, radio, website, blogs, word of mouth mobile marketing and so on.

2.EVOLUTION OF GREEN MARKETING

The term green marketing term came into existence in a first workshop on Ecological marketing, organized by American Marketing Association (AMA) in 1975. Accordingly, the evolution of green marketing has three phases.

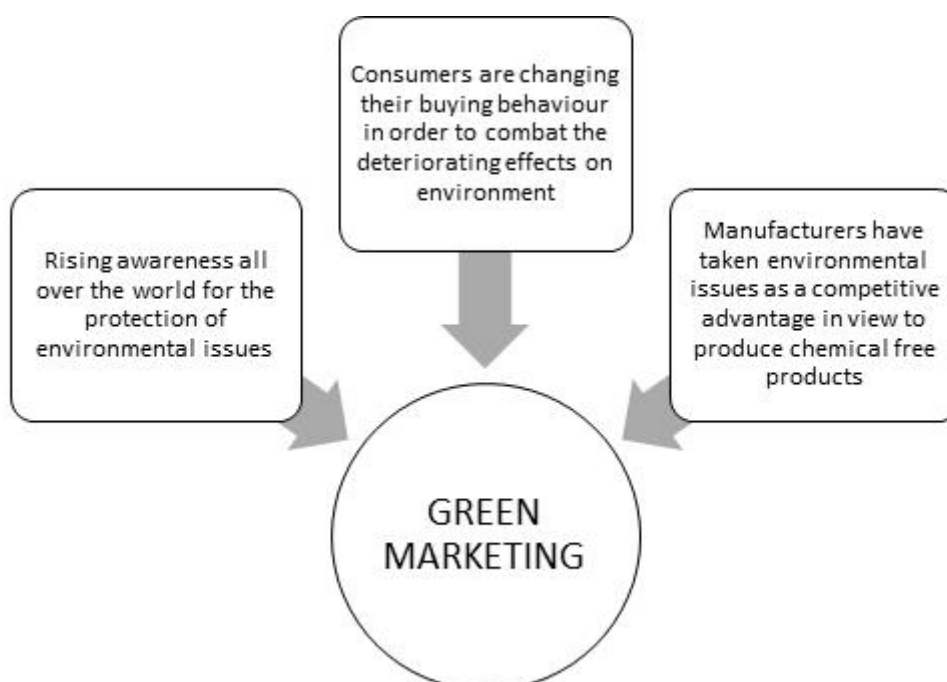
Firstly, Green marketing is the marketing of eco-friendly products that are corresponding to be environmentally safe (Retailing Definition). Secondly, Green Marketing is the evolution and trading of goods designed to eradicate adverse effects on the surroundings by establishing a reputation of being trustworthy (Social Marketing Definition). Thirdly, Green Marketing is the attempt by organizations to breed, nurture, assort, and recuperate products in a manner that it is approachable to ecological issues (Environmental Definition).



2.1 Why Green Marketing?

In recent years, the term green or eco marketing has become prominent and reflects growing concern at pan-global level, for the after-effects of increased consumption demand on our environment and its resources. The implication of the destruction of the forests, the appearance of holes in the ozone layer etc. were widely published & created a wave of concern about the destruction of our environment.

Consequently, many consumers are in favour of consuming eco- friendly products and services. This has created some major impact on marketing strategies of various organizations. Many manufactures have recognized environmental concern as a source of competitive advantage and have developed products with a green image.



2.2 Characteristics of Green Products

Green products can be defines as those whose make, use and disposal does not bear any ill effects on our environment or its species. We can define green products by following features:

- Whose production without polluting or affecting the environment much.
- Products those are long lasting and sustainable
- Have herbal ingredients.
- Eco efficient
- Uses least resources
- Can be recycles and reused
- Zero carbon footprint
- Biodegradable
- Low toxicity
- Products with green management and green innovations.
- Their make involves no animal testing
- Products that have green packaging i.e. reusable or refillable jars, glasses, bottles etc

2.3 CONFOUNDING THE CONCEPT OF GREEN MARKETING

Eco-marketing is a challenging task, which includes market analysis to know options available in the market and customers' attitude and perception in a boarder way related

to green goods and services. Although, consumers are becoming more conscious about consuming the goods so as to avoid negative impact on the environment but still majority of the people are not willing to pay extra for green products. Moreover, due to high rate of illiterate people in India, many of the end user are not aware of the presences of herbal goods options in the market. Lastly, huge cost is involved in manufacturing organic products, like water technology, huge spending on research and development, renewable materials and so on, which ultimately hike the price of the product or services. So here are some of the green marketing strategies which are not real but created application of the green marketing concept to fulfil the requirement of producing and selling green products by the firms for the long term growth.

1. Green Spinning: Instead of improving the image of product ecologically, most of the firms respond to environmental challenges by putting pressures on their own version of environmental facts through customer relationship. Such concept creates confusion in the market and ruin the image of other competitors who are claiming genuinely about environmental claims.

2. Green Selling: When companies keep on producing virtually the same product, but to take the benefits in

promotional activity they include some new environmental advantage, while advertising the product in order to cater the interest of public towards environmental issues by employing little or no effort in the production of products, which are truly green.

3. Compliance Marketing: In this type of market, environmental initiatives are practiced by the firms only by the regulations or law, where they are compelled to do green production and adopt green marketing strategies so as to satisfy human needs or wants with minimal detrimental input on the national environment.

4. Green Washing: Greenwashing is also known as green sheen, which is the process of conveying a false impression or misleading claim to show how company is environmentally sound. Greenwashing can make a company appear to be more environmentally friendly in terms of product, service, technology or company practice than it really is.

2.4 Green marketing mix

Similar to the concept of marketing, green marketing is also a mixture of 4P's

1. **Product:** The manufacturer ought to offer eco-friendly products for selling either to the re-seller or end users so that well-being and surroundings must not be contaminated.
2. **Price:** The prices of greener goods are generally high because of extra efforts taken by the firms in order to produce goods with herbal and natural ingredients, whereas target audiences also feel worthy by spending higher amount.
3. **Place:** The decision of how, where and when the product would be available is crucial as distribution of logistics plays a vital role by paying more attention on ecological packaging. Selling and marketing of seasonal products e.g. vegetables from regional farms is more convenient to be marketed "organic" than products shipped.
4. **Promotion:** advertisements should address a connection between product and biophysical environment, for example CP certificate or ISO 14000 certified mark to show its authenticity and may help in improving a firm's image. Furthermore, focusing more on healthy lifestyle by advertising their products. And last but not least, company's expenditures on environmental protection should be advertised in the knowledge of public.

3. IMPORTANCES & IMPACT OF GREEN MARKETING

- Green marketing aids to keep safe as well environment clean from chemicals and toxic practices and its primary focus is on green production. Environment can be kept clean by maximising the use of green building material, for e.g., use of cloth napkins, moss carpets, reusable water bottle, etc.
- Green growth is mandatory for survival of humans and other species in the long run. Green growth will not only find sustainable ways to facilitate the functioning of economy while taking care of the social consequences.
- Reducing use of plastics & plastic based products, have boosted sales via targeting environmentally conscious target market. The percentage of such consumers is increasing as awareness about ill

effects plastic products and waste on animal consumption

- Environmental accountability is the new agenda for the corporates in the 21st century. Businesses are held responsible by society as well as the government for operating in ways which is harmless for our environment. Green marketing strategies are used for communicating a brand's prominence via focusing on environmentally sustainable business practices or products.

4. GREEN INITIATIVES TAKEN BY SOME COMPANIES IN INDIA

Many companies in India are taking initiative to move towards green execution, so that they can also contribute towards healthy environment either as part of their corporate social responsibility or through regular business approach.

- i. **HCL's** Environmental management policy under HCL Eco Safe, has started a drive to protect ecological balance, health as well as the safety of all the employees and contributors by implementing management standards in view of selling non-toxic products.
- ii. **Johnson and Johnson** is the second-largest company utilizing solar power in the United States, and operating undeviatingly from the past 20 years to diminish production wastes.
- iii. **Timberland** charges the price of each shoe according to aftermath on nature. Moreover, it restructured its branches to consume 30 percent less energy than prior they used to.
- iv. **The body shop** well-known brand for selling non animals tested products, where it is paying extra efforts to support farmers, defend human rights and health treatment.
- v. **MC DONALDS** are using cardboard packaging, which is biodegradable instead of polystyrene containers.
- vi. **PANASONIC IN INDIA** has come up with a econavi home appliances range of products like air conditioners, LCD screens, washing machine, microwave, and so on, which are based on power preservation technique with sensor attached to all by controlling energy consumption according to family lifestyle.

4.1 EIGHT KEYS TO SUCCESSFUL GREEN MARKETING

Green business practices can be achieved with the help of these eight agenda's through which more customers are attracted with more profits.

- 1) Being genuine when you actually stand upon environmental credentials and performing the activities which has been claims in marketing campaign.
- 2) Educate your customers not only how products are safe for the environment but also informing them why it is imperative to do so.
- 3) Allowing your customers feel the benefits of your environmentally friendly actions, which ultimately motivate the customer to take part in positive environmental actions.

- 4) Know your customer: means your client should be aware of the eco-friendly facility attached to your product otherwise he may buy or pay premium cost for such innovations. For instance, Whirlpool has introduced CFC-free refrigerator facility but unaware customer may not be willing higher price for the facility, which is unknown to them.
- 5) Empower consumers: product should make difference in terms of sustainable issues either they can be realised by themselves or peer group.
- 6) Be transparent: there should not be any hidden flaws and they must believe in the authenticity of the product as well as the features or benefits they carried.
- 7) Reassure the buyer: Consumers need to assume that product being offered is giving the same results as it is supposed to do.
- 8) Consider your pricing: organic products may turn out to be costlier than toxic product but make sure price being charged is worth it and buyers do not think twice to switch their preferences towards green products.

5. CONCLUSION

In today's time, Consumers are concerned about environmental issues due to which we can see a decline in health and living so as to change the scenario they are changing their perception by acting upon socio-health causes but at the same time consumers expect the products that they purchase should be pocket friendly. Undoubtedly, marketers are also understanding the implications of chemical produced products and how they are affecting the planet so the firms should focus on energy-efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing, leading to sustainable development. If the Consumer, the Organization and the Government work collectively towards the common goal of reducing injurious impact on environmental activities, they will surely protect the territory and make this earth a better place to live in. It is not enough for a company to green its products, but it is equally paramount to understand the relation between environmental variables and firm's competitiveness. Green marketing concept is still in its infancy and additional research is required to fully explore its potentials.

6. REFERENCES

1. Bukhari, S. S. (2011). Green Marketing and its impact on consumer behavior. *European Journal of Business and Management*, 3(4), 375-383.
2. Chen, Y. S. (2010). The drivers of green brand equity: Green brand image, green satisfaction, and green trust. *Journal of Business Ethics*, 93(2), 307-319.
3. Furlow, N. E. (2010). Greenwashing in the new millennium. *The Journal of Applied Business and Economics*, 10(6), 22.
4. Leonidou, C. N., Katsikeas, C. S., & Morgan, N. A. (2013). "Greening" the marketing mix: Do firms do it and does it pay off?. *Journal of the Academy of Marketing Science*, 41(2), 151-170.
5. Mishra, P., & Sharma, P. (2010). Green marketing in India: Emerging opportunities and challenges. *Journal of Engineering, Science and Management Education*, 3(1), 9-14.
6. Peattie, K. (2001). Towards sustainability: the third age of green marketing. *The marketing review*, 2(2), 129-146.
7. Polonsky, M. J. (1994). An introduction to green marketing. *Electronic green journal*, 1(2).
8. Polonsky, M. J. (2011). Transformative green marketing: Impediments and opportunities. *Journal of Business Research*, 64(12), 1311-1319.
9. Savale, T., Sharma, A., & Patil, P. (2012). Green marketing: Opportunities and challenges. In *Proceedings from IJCA 2012: International Conference in Computational Intelligence*. New York, NY: Foundation of Computer Science.
10. Tiwari, S., Tripathi, D. M., Srivastava, U., & Yadav, P. K. (2011). Green marketing-emerging dimensions. *Journal of Business Excellence*, 2(1), 18.