

## **Green Marketing in Indian Context, the present and the future**

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### **ABSTRACT**

*The concept of Green Marketing is still in the primitive stage of its development. Still today it has not been adopted as a separate subject. But as it's said "Better late than never", slowly but steadily this concept of marketing is becoming an integral part of new age marketing. All the stakeholders of the society are also more conscious about the green products. The marketers are also getting some inherent benefits when they are going greener way. Some of the benefits are like reduced cost, added USP, product differentiation, easy entry into foreign markets, enhancement in the brand equity, and public support. Albeit the cost of R & D is quite high at the initial stage, but can be recovered in the long run. This paper is an effort to find out the present status of green marketing by studying some of the live cases of the Indian Industries. Further the future of green marketing is also assessed through the study of challenges and opportunities available.*

**Keywords: - Green Marketing, Green products, Consumers, Benefits, Indian Industries**

### **LINTRODUCTION**

**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 in an environmentally friendly way, such as:

1. Products with no toxic contains
2. Products which can be recycled
3. Products made from natural ingredients
4. Products with no excess packaging
5. Products which are repairable and reusable & easily disposable

The American Marketing Association (AMA) defines Green Marketing as;

1. Marketing of the products that are presumed to be environmentally safe
2. (Social Marketing Definition) The development and marketing of products designed to minimize marketing effects on physical environment or to improve its quality
3. (Environmental Definition) The efforts by organizations to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concern.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment

## **II. RESEARCH OBJECTIVES**

1. To understand the concept of Green Marketing
2. To Study the Implementation of Green Marketing
3. To Find Out the problems in implementation of Green Marketing
4. To assess the future of Green Marketing in India

## **III. RESEARCH METHODOLOGY**

In order to investigate the research objectives, secondary data has been collected and analyzed. The first stage of the research process was an extensive search of articles, reports and professional information concerning eco-consumer studies and eco marketing strategies in general using the internet and academic databases. The analysis of secondary information provided the general context for initiating the collection, analysis and the interpretation of primary data. For getting a clear understanding of the Green Marketing Implementation matter twelve (12) sample cases of the Indian corporate are studied.

#### IV. GREEN MARKETING EXAMPLES/CASES IN INDIAN CONTEXT

**Case 1. Tata Motors:** - In its annual report of 2012-13 Tata Motors has declared many green initiatives started by it. Some of them are as follows; Company has launched some vehicles which can be operated on alternative energy sources like electricity and CNG. Ace CNG and Indigo CNG in domestic market and Indica electric in international market are the examples of it. All its passenger and commercial vehicles are produced with euro emission norms. Its international brand like Jaguar and land rovers are coming with intelligent stop start technology and fuel efficient versions respectively.

**Case 2. Indian Oil:** - By recognizing the need of hour, Indian oil is concentrating on pursuit of alternative sources of energy such as hydrogen energy, bio-diesel, auto gas, CNG and ethanol blended Petrol and diesel. All of these initiatives are explained in the following;

**Hydrogen Energy:** - Indian oil has commissioned hydrogen-CNG fuel dispensing station at its Faridabad R & D Centre for the experiments and trials. In coordination with some leading automobile manufacturers Indian Oil is taking efforts to develop H-CNG engines. Some of the other projects which are under consideration are hydrogen powered three wheelers and bus engines in association with Society of Indian Automobile manufacturers

**Bio Diesel:** - Indian Oil R&D has perfected a process to produce biodiesel from various non-edible oils, especially from Jatropha and Karanjia. The biodiesel produced has been tested for its properties and meets the stringent international standards. Extensive field trials have been conducted using 5 and 10% bio-diesel blends in collaboration with Indian Railways, Haryana Roadways, TATA, etc.

**Auto Gas:-** Indian Oil has setup 370 Auto LPG Dispensing Stations (ALDS) covering 206 cities across India." Auto Gas impacts greenhouse emissions less than any other fossil fuel when measured through the total fuel cycle. Conversion of petrol to Auto Gas helps substantially reduce air pollution caused by vehicular emissions

**CNG:** - CNG is being marketed from select Indian Oil outlets in Mumbai and Delhi as a franchisee of Mahanagar Gas Ltd., Mumbai, and Indraprastha Gas. Ltd., Delhi, respectively. As on date, CNG is available at 13 Indian Oil outlets each in Mumbai and Delhi. As demand picks up, Indian Oil will set up additional outlets.

**Ethanol Blended Petrol & Diesel:** - In the year 2003, a new eco-friendly fuel popularly called "Gasohol" was launched. This fuel combines petrol with 5% ethanol obtained from the sugarcane molasses available throughout the country. Indian Oil's R&D centre has established a feasibility of ethanol blending up to 10%, which is now gaining acceptance of vehicle manufacturers. India has also signed a MOU with Brazil in April 2002 for transfer of technology in blending ethanol with petrol and diesel at higher properties.

**Case 3. Maruti Suzuki India Ltd.:-** Maruti Suzuki, the leader of the automobile industry in India, also boasts of the largest manufacturing facilities in the country. Although both the manufacturing facilities work at full capacity, the company ensures that this does not harm or damage the environment. Over the years, MSIL has taken special initiatives to minimize the carbon footprints of its manufacturing facilities, products, and supply chain operations

**The initiatives taken by MSIL can be listed as below;**

**Material use and weight reduction:** - MSIL has launched one gram one component program to reduce material consumption through re-engineering and design modifications of its existing vehicles. With the help of this program MSIL is aiming to reduce weight of its products and thereby to reduce the overall raw material consumption. Further the scrap generated in press and casting operations is sent to vendors who use them for the production of child parts.

**Energy Conservation:** - Introduced a new generation electro-deposition (ED) paint coating that operates at low voltage and consumes less energy in paint operations. Aerodynamic energy-efficient fiber reinforced plastic (FRP) blades replaced the standard blades at the cooling towers for lower energy consumption. The voltage in the shops was optimized for lighting and motor loads. Desiccant-type air dryers were introduced to reduce energy consumption.

**Waste Management:** - The hazardous wastes produced as by-products of manufacturing operations at Maruti Suzuki include paint, phosphate and effluent Treatment Plant (ETP) sludge, incinerator ash and used oil. The used oil is sold to authorized recyclers. Maruti Suzuki has been sending paint sludge, phosphate sludge and ETP sludge to the cement industry for co-processing since 2010-11. This has eliminated the need for incineration and land filling. The saleable solid wastes such as metal scrap and glass waste are sold to recyclers. All in-process and vehicle related e-waste is disposed off through authorized recyclers only.

**Case 4. Godrej Industries:** - Godrej Industries has taken a number of initiatives to grow greener through its process management; the initiatives can be listed as below;

**Carbon neutrality:** - Godrej industry is trying to the energy consumption to manufacture each unit of its products, by 30% through process reengineering, efficient projects and energy conservation. And so far in this effort Godrej Industries is successful in reducing the green house emission from its different plants up to 51%.

**Water Positivity:** - Godrej Industries have aimed to be water positive means returning more water to the planet than it is used by it. Godrej has emphasized on implementation of 3R Strategy that is reuse recycle and reduce.

**Zero Waste to Landfill:** - The industry is concentrating on reduction of hazardous and solid waste generation. It is also taking care that the waste generated is not transferred to landfill. So far it is successful to divert 71% of waste from landfill.

**Usage of renewable energy:** - Godrej industries are pledged to substitute 30% of their total energy consumption with renewable sources such as solar wind and biomass. So far Godrej is successful in using renewable energy sources up to 55% of their consumption.

**Case 5. Indusind Bank Ltd:** - Indusind bank has adopted environment friendly policies in its operations to address the environmental challenges. The Indusind bank through its policies firstly announced in the year 2011-12 has focused on five core areas of environment that are; employee engagement, Materials and waste, Energy, Sustainable spaces and climate change. The details of this is explained as below;

**Paper consumption:** - The bank has particularly done a great job in reduction of paper usage throughout its operations. For this the bank has used modern information technology tools such as paperless fax, document imaging and processing, use of multi function devices and use of hand held terminals has helped to reduce the paper work. The customers of Indusind bank have been given with a choice of opting for e-statement and other facilities like online banking and mobile banking which further reduces the paper consumption.

**Electricity Conservation and efficiency:** - The initiatives includes the timers and signages Replacement of tube lights with LEDs in the signages and virtualization of its servers. The bank has also initiated power saving initiatives across 16,287 laptops and desktops which helps to manage and monitor electricity consumption remotely.

**Green I T Road Map:** - So far the bank is succeeded in optimizing its data centers through virtualization of its servers. This initiative will bring 20% reduction in power consumption and space utilization. This stance of bank has saved 1,520 Mwh of electricity and 1091.8 MT of CO<sub>2</sub>

**Banking on Solar:** - The bank has installed the first solar ATM in Mumbai and by that way it has become the first Bank to take this initiative. The bank has continued to explore new solar options such as green integrated and rooftop solar

**Engagement of Employees in Green initiatives:** - The bank has introduced Green Championship program under the initiative "Hum aur Hariyali". Through this program the bank employees are creating awareness on social and environmental issues within the bank and in the outside community.

**Case 6. Patanjali:** - Patanjali's core competencies are completely lying in its green initiatives. Patanjali is one company which started with the propaganda of Ayurvedic products and their benefits. It has taken a front runner's position so far into FMCG market of India by producing the products from the natural and herbal ingredients. It has already showed its dominance in market share into the categories such as cosmetics and personal care. Some other sectors like beverages and dairy are soon to be followed.

**Case 7. Asian Paints:** - Asian paints, India's leading paint producer has taken many green initiatives by introducing eco-friendly paints. It is offering best in class truly green products with zero quantity of lead and heavy metals. Some of its products like Royal Aspira wall coating are certified under Green Seal GS-11 standard. Products which are of the GS -11 Standards are free from carcinogens, heavy metals and alkyl phenol ethoxylates and comply with volatile organic compound limit. Further GS-11 certified paints also use minimized, recycled packaging and are tested for their performance.

**Case 8. Havells India Ltd.:-** With its continuous self evolution and improvement Havells is succeeded in 100% no usage of hazardous elements in four of its products that are CMI lamps, Cables, wires and LEDs. Further its entire product line is radioactive free. From FY 2013-14 Havells stopped use of trace Kr-85 radioactive isotope from entire ceramic metal halide lighting range. Its sustainability vision clearly states that it is pledged to reduce CO2 emission and to improve quality of life of its customers through improved environmental protection. Havells claims that 70% of its product offerings are energy efficient.

**Case 9. Greenply Industries Ltd.:-** Greenply has established a specific department in its organization named as Green Strategy Group (GSG), which will act as the nodal agency to create, sustain and harness the green initiatives across the complete value chain of the organization. It's Pantnagar; Uttarakhand plant has executed continuous efforts to stop the usage of illegal wood for its production. For this it has taken the following measures to stop buying the woods which are; 1 illegally harvested wood. 2) Wood harvested in violation of traditional and civil rights 3) Wood harvested in forest being converted to plantations or non forest use 4) Wood from forests in which genetically modified trees are planted. Greenply has also received many certifications in its green journey so far some of them are as follows;

1. First in the Indian Industry and the only non US Company to achieve Greengaurd certificate for indoor air quality and for children and schools.
2. First Indian company to achieve carbon credits under UNFCC
3. First Indian brand to get certified with Green Lable Singapore by the Singapore environmental council.



**Case 10. ACC:** - India's leading cement manufacturing company is also playing its role in the conservation and sustenance of environment. It is concerned with environmental concern of its products. Acc has taken a leadership in manufacturing of blended cements with the help of industrial wastes like fly ash and slag. This initiation of Acc helps to contain and conserve limestone resources. Acc is advocating to construct concrete roads and also it has setup examples of eco- friendly constructions through its own projects.

**Case 11. Bharati Airtel:-** Under its network transformation program "Project Leap" Airtel plans to reduce its carbon footprint by 70 percent and further its commitment towards environmental practices with host of initiatives. These initiatives can be listed as below;

1. More than 40,000 Airtel Towers are now Green and operate on battery hybrid lithium ion and solar hybrid technology.
2. Airtel's new tower design is functioning without diesel generators
3. In future Airtel have the plans to increase its solar rooftop power from 770KWP to 1MWp.

**Case 12. Reliance Power:** - Reliance powers guiding initiatives are 5Rs; that are Reduce, Reuse, Recycle, Renew and Respect. The imperative is to minimize the carbon footprint and its effects on biodiversity. The company has planned to use super critical and ultra super critical technology that enables better combustion of coal and thereby helps in reduction of emission in fuel gas. For some plants reliance power is also using the imported coal to reduce the fly ash. Reliance power has used its plant locations for more tree plantation, in fact most of the space is used for forestation and minimum land is used for building up the plants.

## **V. CHALLENGES IN GREEN MARKETING**

### **Need for Standardization and Certification**

At Present there is absence of nodal agency at both state and central government level which can check and certify the green products. It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims.. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

### **Lack of awareness in rural India**

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. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the

consumer is already aware and will be inclined to accept the green products.

### **Wait & Watch**

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

### **Avoiding Green Myopia**

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

## **VI.PRESENT TRENDS IN GREEN: MARKETING IN INDIA**

Organizations perceive Green Marketing as a golden opportunity for their development. Firms have realized the fact that consumers prefer products which are made from natural ingredients and do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives.

Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally committed towards the society when they are using green marketing tool.
- Become pro-active and self governed.

Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

- Prohibit or restrict production of harmful goods or byproducts
- Modify consumer and industry's use and /or consumption of harmful goods; or
- Spreading the awareness and education amongst all the consumers that are; rural or urban, individual or industrial about the hazards of the products when they are used for any type of consumption.

The present competitive environment is pressurizing the firms to adapt and adopt green marketing in order to survive in the market. Almost all the big organizations are accepting green marketing and coming up with innovative eco-friendly products. So the others cannot sustain with their traditional product offerings. So they also have to follow the same. So this green change is percolated in the entire Industry. Further in order to gain a sustainable competitive advantage all the existing players are competing with each other on the basis of green products.



The most worthy benefit for the green firms is that of cost benefit. This cost advantage is attracting many organizations towards this phenomenon. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:

- The firms are going for the invention of new technology or process which can reduce the cost and improves the waste management.
- This also provides a great opportunity for the specialized firms who can have expertise into the waste management and recycling of the waste products.

### **VII.THE FUTURE OF GREEN MARKETING**

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future? Business scholars have viewed it as a “fringe” topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of “give customer what they want” and “sell as much as you can”. Evidence indicates that successful green products have avoided green marketing myopia by Following three important principles:

- Design environmental products to perform as well as (or better than) alternatives.
- Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments.
- Broaden mainstream appeal by bundling consumer desired value into environmental products.

### **VIII.CONCLUSION**

Given India's rapid GDP growth rate of 6.3%, Central Government's Campaign's like Swacch Bharat, Consumer awareness programs like Jago Grahak Jago and the highly negative environmental impact, demand for eco-labeled products may create the necessary consumer pressure to ensure a cleaner environment. This study confirms the existence of an environmental value-action gap, a gap between consumers' beliefs and behaviors over being green. This paper has highlighted the initiatives taken by Indian corporate for the green marketing. Products given greater exposure will be more likely to sell in greater numbers. Pro-environmental values are more likely to result in more pro-environmental behavior when values and beliefs are specific enough, the green action aligns with consumers' subjective interests, and product attributes are positively perceived. A major barrier in the purchasing of green products is: concern over whether the product will perform as expected. However, consumers generally trust the performance of well known brands, so green products that work well and do not make over inflated green claims could sell successfully under well-known brands. The current low levels of consumer awareness about global warming, India's brands need to help raise consumer consciousness. Indian manufacturers have yet to find a market for green products, even as consumers have a low awareness of them because of the insufficient efforts made by the marketers. But by embracing the

green imperative, and investing in green initiatives and consumer education, Indian brands can break this vicious cycle. Overall, it is clear that the Indian market for greener products is under-exploitation by marketers within consumer groups with pro-environmental values. This finding suggests the there is greater use of marketing brands to sell green products that are genuinely environmentally friendly.

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