



UNDERSTANDING THE POTENTIALS OF GREEN MARKETING: WITH REFERENCE TO INDIAN SCENARIO

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Abstract: For the past few decades with the increasing human consumption, the environment is deteriorating rapidly. As the environmental issues such as global warming, pollution, depletion of natural resources etc. are increasing on a daily basis, the consumer's concern towards environmental friendly or green products have increased that have led to encourage in consumer's green purchasing behaviour. The primary necessity at the moment is to retain consumers loyal while still maintaining the safety of our natural environment. As a result, the marketers are embracing Green Marketing strategies to maintain a competitive edge over rivals. The concept, necessity and significance of green marketing have been highlighted in this research article. The key concern with adopting green marketing strategies are examined. The study discusses the issues and potentials firms have when using green marketing and describes the current trends in Indian market. The study explains the benefits of green marketing, discusses its prospects and draws a conclusion that both its use and popularity will keep rising in near future.

Index Terms: Green Marketing, Environmental Issues, Competitive Edge, Issues & Potentials.

INTRODUCTION: We are well versed with the fact that increasing population, deforestation and over production have been polluting the natural environment to a large extent. Now -a-days people on worldwide are getting more aware and changing their behaviour for the protection of environment. Green marketing not only meant for nature but it's always going to benefit the company in the long run. It is the practice of promoting environmentally sustainable goods and services could be ecologically friendly either in their production processes or as finished goods.

The term "green marketing" refers to a comprehensive management approach that identifies, foresees and satisfies consumer and societal requirements in a way that is sustainable and lucrative. In light of this, it is possible to define green marketing as the meticulous fusion of a company's business objectives and social and environmental criteria. It places equal emphasis on a product's immediate as well as long term environmental benefits

To project a green image of the business to its target market, green marketing encompasses a broad range of activities, such as:

- Using recycled and sustainable materials for production.
- Using renewable energy sources including wind, solar and geothermal energy to generate goods.
- Reduce excessive product packaging or use eco-friendly packaging.
- Not containing hazardous compounds or ozone depleting substances which are harmful to the environment.
- Making products which can be reusable as well as recyclable.
- Designed to be repaired rather than discarded.

So, basically, green marketing is a marketing philosophy that promotes the production and selling of eco-friendly products with the protection of ecological balance. It raises the voice against production, consumption and/or disposal of such products that anyway harm consumers, the society and the environment.

EVOLUTION OF GREEN MARKETING: In 1975, the American Marketing Association hosted the initial "Ecological Marketing" workshop. The AMA workshop made an effort to bring together academicians, professionals and public policy makers to discuss how marketing affects the environment. The 1980s saw the emergence of green marketing. Green Marketing-themed literature served as a significant point of reference for the initial wave of this marketing strategy. The concrete turning point for the initial wave of green marketing was the two publications. In England (1992) and the United States (1993), they were written by Ken Peattie and Jacquelyn Ottman, respectively.

The emergence of green marketing took place in three stages, as noted by Peattie (2001):

- The initial phase of green marketing was referred as "Ecological" and all of its marketing initiatives during this time focused on providing solutions to and remedies for environmental concerns.
- The second phase was referred as the phase of "Environmental" green marketing. The areas that were stressed on involved clean technology, and creating brand new, cutting-edge goods that could address issues with pollution and waste.

- The third phase was referred as the phase of “Sustainable” green marketing. It concerned with creating high quality products that could satisfy consumer needs by putting an emphasis on attribute, value, price and convenience in an environmentally friendly approach.

LITERATURE REVIEW:

Pavan Mishra & Payal Sharma (2010) looked at the current trends in green marketing in India, explains why businesses are implementing it and predicts green marketing's future. It comes to the conclusion that green marketing will continue to gain popularity among consumers and business alike. The task of marketing is to educate consumers about the advantages of green products over conventional ones and the reasons why they are necessary.

S.Tiwari et al (2011) examined thoroughly the different aspects of green marketing aids in identifying the potential and difficulties that green marketers may encounter. They suggested relevant parties will have a financial incentives to undertake green development if the definition of green is broadened and deepened. Green will become more widely accepted if market forces favouring the development of green products are harnessed.

R.Shrikanth, D.Surya Narayan Raju (2012) suggested all that is necessary is commitment and determination on the part of all company stakeholders. Customers are willing to spend more for cleaner, greener environment therefore green marketers can count on full government support. It is important to promote the advantages of green marketing for the environment among consumers, firms and suppliers. In growing nations like India which have to set the bar high and become models for other nations to follow, green marketing has even greater significance and relevance.

Babita Saini (2014) leading companies should acknowledge the shift in consumer expectations. It is not enough for a corporation to produce environmentally friendly goods; consumer demand the goods they buy to be cost effective and to lessen the impact of their own lifestyles on the environment. Consumers of today are getting more and more environmentally aware as well as socially responsible.

Md Jalalkamali, Masood Foroogni, Nima Nazeri (2016) outlined consumer behaviour based on how much they are aware of environmental marketing issues that influence their purchasing decision. Consumer's purchasing decision and product promotion are the immediate results of customer satisfaction which may be favourable or unfavourable depending on their perspective.

Ravinder Kaur (2017) discussed the current state of Indian green marketing, along with some of the difficulties it encounters there. People today are beginning to understand their roles and obligations. Even businesses that were profit driven have now shifted their attention to green marketing firms and the creation of environmentally friendly goods. Businesses have begun educating consumers about the advantages of green products with the use of advertising.

G. Nagarkar et al (2019) discussed instead of focusing on a product's usability, users are prepared to consider the environmental implications of its use. Economic consideration in marketing should not be disregarded in green marketing. Initiations have been made by businesses and the industry as a whole to preserve the environment.

R.Mayakkannan (2019) critiqued certain aspects of green marketing and promotions including the concept, new green initiative in India, and creative advertising combinations. Currently, green marketing is more powerful than conventional marketing. Green marketing entails much more than straightforward marketing techniques. Both parties share responsibility for environmental protection.

M. Mehta & B.Baxi (2020) suggested businesses must develop for the planet on the basis of sustainability, but they shouldn't ignore economic factors. For marketers, going green is essential to their survival and progress. Making every component of marketing mix green or eco-friendly is quite challenging. Therefore, marketers must try to incorporate sustainability into one of the P's of their marketing mix.

BEST RULES OF GREEN MARKETING:

1. **Innovative & superior goods:** Until businesses develop innovative green products comparable to or superior to their conventional counterparts, consumers won't have a favourable opinion of them. Innovative green goods can improve customer value, strengthen brands and overall business. Intelligent managers now view the environment as an investment that has the potential to yield significant returns rather than a burden that adds to costs and overhead.
2. **Inform your customers:** It is important for the firms to give proper information to their customers why environmental awareness and protection is necessary in addition to letting them know what organization is doing to safeguard the environment. Otherwise, the green marketing strategy will be a waste of time if the customers are not well informed and conscious about the environmental problems.
3. **Make goods available to the public:** After making purchase decision green goods, many customers face difficulties to find them. This problem can arise due to a lack of supply or improper communication by producers about where they can be purchased or from lack of availability on the part of wholesalers or retailers.
4. **Be transparent & genuine:** Green consumers rely on the brands that are transparent as well as genuine. A renowned brand with recycling emblem or a claim of biodegradability is no longer sufficient. By being “radical transparent” and exposing both the good and the ugly parts, brands of today gain consumer trust. Genuine brands include pertinent sustainability advantages into their goods.
5. **Life-cycle approach:** It is vital to use a life-cycle approach. Although certain characteristics like being recyclable, natural or energy efficient are very important, they do not imply that a product is green as a whole. Therefore, a more comprehensive, life-cycle or carbon based approach to being green is required.
6. **Value driven:** Consumer choices are driven by values. Historically, consumers have only made purchases based on price, functionality and availability factor. The way items are now obtained, produced, packed as well as disposed off all matter.

GREEN PRACTICES IN INDIA:

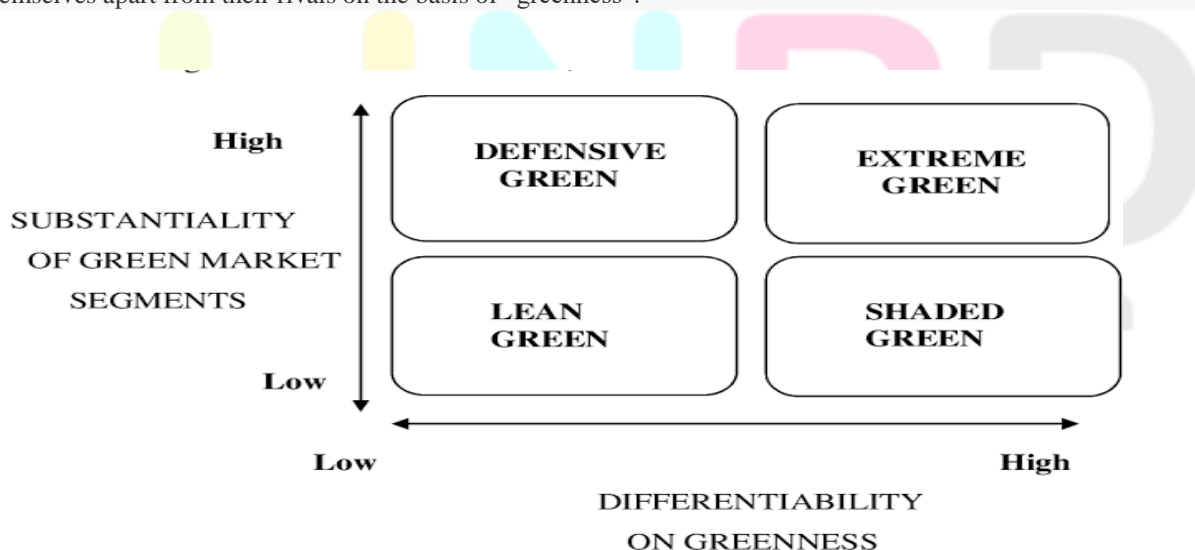
- ❖ For one of its flagship products, Dabur Red Toothpaste, **Dabur India** has chosen to eliminate the container. Following a purchase, single use and additional packaging is typically thrown in the trash. As a result, they decided to stop using the cartons that the products were sold in.

- ❖ The direct to consumer business **Better Home** has introduced a line of household cleaning solutions that use natural cleaning agents and beneficial bacteria and enzymes. Currently, the collection consists of four items: food cleaner, toilet cleaning, dishwashing liquid and laundry detergent.
- ❖ **HCL Technologies** has adopted Go Green to manage toxics and e-waste, recently introduced the HCL ME40 notebooks. These notebooks have already received a five star rating from the Bureau of Energy Efficiency since they don't contain any polyvinyl chloride (PVC) or other dangerous substances.
- ❖ **Beco** provides chemical free and environmental friendly substitute for everyday items like toothbrushes, reusable kitchen towels, bamboo tissues and trash bags. The business now provides economical and environmental friendly substitutes that do not affect home run off by using components derived from plants.
- ❖ All of **P&G India's** manufacturing facilities in India use electricity that is entirely sourced from renewable sources. Since 2015, it has maintained the phosphate free status of its fabric care brands Ariel and Tide. Additionally, Ariel's liquid detergent bottles are recyclable. It is reducing the use of 500 MT of virgin plastics each year by packaging baby care and feminine care items using recycled materials. They also introduced Tide Coldwater Clean, an efficient formula that can reduce consumption of energy up to 50% by avoiding the hot water washing process.
- ❖ **MRF Tyres** has introduced the ZSLK series, which focuses on developing environmentally friendly tubeless tyres built from special silica-based rubber and provides drivers with increased fuel efficiency.
- ❖ In terms of producing environmentally friendly electrical devices, **LG India** has been a pioneer. For the Indian market, it has introduced LED E60 and E90 series monitors. Its unique selling point is that it uses 40% less energy than standard LED monitors.

GREEN MARKETING MIX:

- i. **Product:** The goods should be produced to utilize fewer resources, be pollution free and not include any harmful materials that could be detrimental during use. Additionally, the product ought to support the preservation of non-renewable resources. Product labels such as energy-efficient, natural and chemical free are very popular now-a-days. By utilizing environmentally friendly packaging, businesses may designate their items as green.
- ii. **Price:** Although many customers claim to be willing to pay a little bit extra for environmentally friendly products, the cost must remain competitive with substitutes to draw in fewer green buyers. Profits, production, people and the environment must all be carefully balanced. Green pricing enables customers to actively contribute to sustainability by making them aware of the premium prices they are paying for highest quality goods in terms of design, functionality and attractiveness that will enable them to conserve resources and money in the long run.
- iii. **Place:** Marketers must select the best method for making the product available to consumers because this decision has a significant impact on their behaviour. Managing logistics, including transportation costs and procuring raw materials are two ways that businesses can lessen their carbon footprints. Although many customers may go out of their way to purchase green goods, the majority prefers accessibility and will purchase its non-green alternatives.
- iv. **Promotion:** By emphasizing the connection between a product or service and the environment and highlighting the advantages of a green lifestyle, the marketing mix can be matched to the needs of customers who are environmentally conscious. There are three methods to use green promotion to show how a product and the environment are related; to promote organic and environmentally friendly living or to show how a company is committed to protect the environment.

GREEN MARKETING STRATEGY: For businesses aiming to achieve a competitive edge through green marketing, industry green norms and the potential scale of the green market are crucial challenges. Before making the decision to go green, business should take into account the probable size of the green markets in their sector as well as how they may set themselves apart from their rivals on the basis of "greenness".



(Figure 1: green marketing strategy matrix, source: Ginsberg and Bloom 2004)

- i. **Lean green strategy:** Companies who adopt a lean green strategy reveal that they are weak in terms of size of the green market sectors and their capacity to differentiate themselves through being green. They make an effort to behave ethically as a business, but they are not particularly concerned in promoting their green activities. Instead of pursuing a green competitive edge, they are more interested in cost cutting and efficiency improvement that benefit the environment.

Typically, they are looking for long term preventive measures and want to abide by the law, but they do not believe there is much money to be gained in the green market categories.

- ii. **Defensive green strategy:** Defensive green businesses typically view green marketing as a preventive strategy, a response to an aggressive competition. They aim to reduce harm and improve brand image. Although they understand how vital and successful green marketing is, they cannot afford to go green. Companies who utilize this method carry out environmental measures that are genuinely serious and long lasting, but their efforts to promote these initiatives are nonetheless intermittent and transient because they lack the ability to differentiate themselves from rivals in the green market.
- iii. **Shaded green strategy:** For businesses with a small green market and strong concept differentiation abilities, a shaded green strategy is appropriate. Shaded greens make long term, system-wide investments in environmentally friendly procedures that call for a sizable financial and non-financial commitment. They have the ability to really set themselves out by being environmentally friendly, but they opt not to do so because focusing on other qualities will enable them to earn more money. Shaded greens generally advertise the immediate, palpable advantages given to the customer and market their goods through well-known channels. The promotion of environmental advantages comes second.
- iv. **Extreme green strategy:** Companies with a sizable green market segment and strong green concept differentiation skills should use an extreme green strategy. Companies that genuinely respect the concept of going green develop holistic philosophical perspectives and values. Companies employing extreme green strategies integrate all environmental issues into business processes. Extreme greens frequently cater to niche customers and sell their goods or services through specialized channels.

VARIOUS GREEN CONSUMERS: Different consumer groups identify as green. Understanding some of their shared distinctiveness is essential for firms looking to monitor the market for green products & services. Four different kinds of green consumers exist such as:

- i. **Behavioral Greens:** These customers exclusively purchase goods and services that have a favourable effect on the environment. Environmentally harmful or hazardous goods and services are not popular with them. These customers implement eco-friendly habits into their daily lives.
- ii. **Think Greens:** These customers purchase eco-friendly goods and services when they can, but if their spending is limited, they won't.
- iii. **Potential Greens:** Although these customers may not act in a sustainable manner, they may do so if inspired and influenced by friends and family.
- iv. **True Browns:** These customers disregard environmental concerns and might even reject companies that offer goods or services with a strong environmental vision. These customers don't have eco-friendly lifestyles.

ISSUES OF GREEN MARKETING:

1. **Premium Price:** As a company develops and implements its new green marketing tactics, it can anticipate higher up-front costs. Researching a company's environmental impact and gathering information that may be successfully used as part of a new marketing strategy will probably take a lot of time. Green products frequently require expensive new technologies, recyclable and renewable materials or both. Because of this, the price of green products may rise and consumers have to pay premium prices so they decide to continue using more affordable traditional items.
2. **Normative requirements:** Now-a-days most of the marketing messages are not fully genuine and there are no standards in place to verify these assertions. There is no accepted method of verifying these assertions. To certify a product's claim, there is currently no set standard. There won't be any way of verification unless certain regulatory authorities are involved in the provision of the certifications. For such labeling and licensing, there needs to be a standard quality control board in place.
3. **Unknown Idea:** Consumers in India who are educated and live in urban area are becoming more aware of the benefits of green products. For the majority, the idea is still novel. Environmental concerns must be explained to and made known to the customer. A lot of time and effort will be required to spread the word about this green initiative. Because of the country's ayurvedic background, consumers understand the value of using organic and natural products. So, the marketers need to aware and promote their green products to the consumers properly.
4. **Consistency and patience:** Since green technologies and products are more expensive at first, the profits are quite modest. Green marketing will only be effective over the term. As a result marketers must consider the long term advantages of this new green movement and investors and corporations must see the environment as a significant long term investment potential. There won't be any quick fixes and it will take a lot of patience. It will take some time for people to accept it because it is a novel notion and idea.
5. **Preventing Green Myopia:** Preventing Green Myopia is something businesses should work to do in order to keep their client base happy. By inspiring and offering green benefits, the main goal of going green is to increase consumer satisfaction. If a product is manufactured that is completely eco-friendly in many ways but fails to meet customer satisfaction standards, it will not be of any use. Green myopia as a result of this green product will also lose their market appeal if they are priced excessively high.
6. **Green Washing:** Green washing, which refers to overstated and fabricated green claims, is a significant concern for the business because it makes consumers skeptical of such claims to be green. Many evidences have demonstrated that it is much simpler to talk about environmental changes than to really implement it. The so-called green consumer movements in the nation have struggled to gain traction and maintain their top-of-mind positioning among consumers. Green marketing should only be used by companies who can deliver their commitments.

POTENTIALS OF GREEN MARKETING:

1. **New market reach:** Businesses can draw a variety of consumers by utilizing green marketing techniques. As people become aware of how individuals and major corporations are harming the environment, more customers are becoming involved in the green market. Customers are curious about how goods are manufactured and how using them will affect the environment. By using green marketing, you may draw in customers who share similar interests.

2. **Boosts revenue and brand loyalty:** Green marketing is extremely beneficial to businesses that are pioneer in their industry to offer green products. As people with an interest in the environment actively seek out businesses with sustainable promises, this strategy can help businesses stand out from their rivals. Therefore, green marketing can assist companies in successfully rebranding their goods in order to boost revenue and brand loyalty.
3. **Reduces overhead expenses:** Utilizing recyclable materials, efficient waste disposal and switching to eco-friendly manufacturing techniques might occasionally result in lower overhead expenses for a business. A business can significantly reduce its monthly running costs by conserving water and electricity.
4. **Environmental benefit:** True green marketing not only enables businesses to increase revenue and win over devoted customers, but it also benefits the environment. Since customers' views and preferences have changed because they want companies to be accountable, this should be the core marketing strategy.

THE PROSPECT OF GREEN MARKETING: Green marketing refers to sound marketing principles that enable consumers to identify green brands as the most desirable. Even if you are knowledgeable about green marketing principles and tactics, green marketing myopia can easily become apparent. By adhering to three crucial principles, green products have reportedly avoided green marketing myopia:

1. **Positioning based on customer value:** To perform as well as or even better than substitute products, design environmentally sustainable products. Target suitable consumer market niches, advertise and deliver the attributes and benefits that consumers want from environmental products. By incorporating consumer wanted value into the environmental friendly products, you may expand your appeal to a wider audience.
2. **Assessment of consumer knowledge:** Promote environmental awareness by using marketing messages that link environmental factors to intended consumer benefits. As “remedy” to the needs of the consumer, frame environmental product qualities. Make websites about environmental items with a strong educational focus for online users.
3. **Accuracy of Product's Claim:** Make explicit and relevant environmental product and customer benefit claims. Obtain product endorsements or eco-certifications from reliable third parties and inform consumers of the significance of these designations. Promote the use of eco-friendly products among customers through their social and online networks by providing them with compelling, amusing and educational content.

WHY FIRMS ARE ADOPTING GREEN MARKETING?

Numerous reasons have been put out in the literature for why businesses are using green marketing more frequently. The following five causes are suggested:

1. **Profit or cost issues:** Businesses engage in green marketing due to concerns with costs or profits. Significant long term financial savings could result from reducing dangerous waste. There are instances when multiple businesses have symbiotic relationships in which the waste produced by one business is used as a cost effective resources by another. Businesses are frequently obliged to reevaluate their manufacturing methods in an effort to reduce waste. In these circumstances, they frequently create more efficient production methods that not only cut waste but also the necessity for particular raw materials.
2. **Social accountability:** Many businesses are starting to understand that they are part of a larger community and must act accordingly to protect the environment. As a result, businesses must accomplish both their environmental and financial goals. Consequently, businesses need to integrate environmental concerns into their company culture. To fulfill this they can act in two ways: either they can promote their green activities as a marketing strategy, or they may take responsibility without doing so.
3. **Governmental Pressure:** Governments are pressurizing businesses to adopt more responsible behaviour, which is another motivation for them to engage in green marketing. In order to safeguard consumers, the government has created a number of regulations that aim to reduce the manufacturing of hazardous goods, alter the use of dangerous goods and guarantee that all consumers may evaluate the environmental impact of a product. In addition, government has set regulations to limit the quantity of hazardous wastes generated.
4. **Opportunity:** Due to several environmental problems, customers are becoming increasingly concerned about the environment. Environmental concerns are growing among both businesses and people. As a result, firms are recognizing the shifting client expectations as an opportunity to seize. Thus, it is reasonable to assume that businesses who implement green marketing have a competitive advantage over those that don't.
5. **Market pressure:** Competitor's green initiatives are causing businesses to alter their environmental marketing strategies. The majority of the time, organization observes how their rivals promote their environmental activities and attempt to adopt them. In some cases, this market pressure has compelled an entire industry to change how it operates in order to lessen its unfavourable effects.

CONCLUSION

Earth's future hinges on how rapidly businesses adopt the green marketing approach. It won't be something you do in just one night. To determine how consumers would react to the environmentally friendly items, the company must first plan and then conduct research. From a short term perspective, consumers might not readily embrace the green products, but over the long run, they will accept the changing scenario. In the modern era, green marketing is more than just a marketing strategy, with an underlying social and environmental component. It needs to be pursued with much more vigour. Marketers are now aware that they cannot thrive in the current competitive climate without integrating sustainability into the core of their strategy. Green marketing is still in its infancy among Indian businesses. There are numerous opportunities accessible. Thus, choosing green marketing strategy is the best move at this point for Indian businesses. The Indian consumers are willing to pay more for green products. However, the consumer perception and attitude must change to reflect a more eco-friendly way of life. For this, businesses must implement several promotional techniques that highlight the message of environmental safety. People should start using sustainable packaging and green products on a daily basis, all around the world. If all the countries adopt rigorous regulations for environmental protection, it will bring a significant change in the commercial world.

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