

# Emerging Opportunities and Challenges in Indian Green Marketing

RESEARCH PAPER

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## Abstract

Green marketing, also known as sustainable marketing or environmental marketing, is an approach that focuses on promoting products, services, and brands based on their environmental and social responsibility. The goal of green marketing is to meet consumer demand for eco-friendly and sustainable products while minimizing the negative impact on the environment and society. Green marketing in India has gained significant traction in recent years as consumers become more environmentally conscious and businesses recognize the importance of sustainability. This shift has created both opportunities and challenges for companies looking to engage in green marketing in the Indian market. Many businesses in numerous industries utilize green marketing as a technique to keep up with this trend. The emergence of green marketing has provided businesses with the chance to co-brand their goods under distinct product lines, praising some for being environmentally friendly while disregarding others. The article examines three distinct customer groups who are environmentally conscious and investigates the potential and difficulties organizations face when using green marketing. The study also looks 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 businesses alike.

**Keywords:** Green marketing, sustainable development, Eco-friendly, Environmental issues.

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## Introduction

Development and conservation professionals are increasingly incorporating conservation products into their portfolio of activities to contribute to biodiversity conservation and poverty alleviation for the communities that live in high biodiversity areas. Tremendous progress has been made in involving communities in good conservation practices, developing enterprises that are sustainable and generating income that also promotes biodiversity conservation. 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 it or produced and/or packaged in an environmentally friendly way. "Green Marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment. The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s. The tangible milestone for the first wave of green marketing came in the form of published

books, both of which were called green marketing. They were by Ken Patten (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America. 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, in a holistic approach, green marketing is defined as the concept where, in the production, marketing of environmental safe products and services, happens in a manner that is less detrimental to the environment with growing awareness about the implications of global warming and calamities which are going to happen due to environmental disturbance, non-biodegradable solid waste, harmful impacts of pollution, etc. Both marketers and consumers are becoming increasingly sensitive. While the shift to green may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous – wise too, in the long run. Thus, green, environmental, and eco-marketing are part of the new marketing approaches which do not just refocus, adjust, or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective.

### Golden rules of Green Marketing

- 1) **Know your customer:** If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
- 2) **Empower consumers:** Make sure that consumers feel, by themselves or in connect with all the other users of your product, that they can make a difference. This is called empowerment and it's the main reason why consumers buy greener products.
- 3) **Be transparent:** Consumers must believe in the legitimacy of your product and the specific claims you are making. The rest of your business policies are consistent with whatever you are doing that's environmentally friendly.
- 4) **Reassure the buyer:** Consumers must be made to believe that the product performs the job it's supposed to do—they won't forego product quality in the name of the environment.
- 5) **Consider your pricing:** If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients—make sure that consumer can afford the premium and feel it's worth it. Many consumers, of course, can't afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.

### Green Marketing- Adopts by the firms

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

#### 1) As opportunities:

As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible in an attempt to better satisfy their consumer needs are:-

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
- The Surf Excel detergent which saves water (advertised with the message—"do bucket paani roz bachana").
- The energy-saving LG consumer's durables are examples of green marketing.
- We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal. In India, the green building movement, spearheaded by the Confederation of Indian Industry (CII) -Godrej Green business

- Center, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

## 2) Government Pressure:

As with all marketing related activities, governments want to protect consumer and society; this protection has significant green marketing implications. Government regulation relating to environmental marketing are designed to protect consumers in several ways, Reduce production of harmful goods or by-products modify consumer and industry's use and consumption of harmful goods. Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Governments establish regulations designed to control the amount of hazardous wastes produced by firms. New Delhi, the India's capital was getting polluted gradually at a very fast pace till Supreme Court of India forced a change of fuel on it. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution. One of the more recent publicized environmental regulations undertaken by governments has been the establishment of guidelines designed to "control" green marketing claims. These regulations include the Australian Trade Practices Commission's (TPC) "Environmental Claims in Marketing - A Guideline, the US Federal Trade Commission's (FTC) "Guides for the Use of Environmental Marketing Claims" and the regulations suggested by the National Association of Attorneys- General. These regulations are all designed to ensure consumers have the appropriate information which would enable them to evaluate firm's environmental claims.

## 3) Competitive Pressure:

Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior.

## 4) Social Responsibility:

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture.

- Many companies are adopting green for capturing market opportunity of green marketing some cases: Example of these Companies

### EXAMPLE 1: India's 1st Green Stadium

The Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. It was jointly dedicated by Union Sports Minister MS Gill and Chief Minister Sheila Dikshit on Friday. Dikshit said that the stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials.

### EXAMPLE 2: Eco-friendly Rickshaws before CWG

Chief minister Sheila Dikshit launched on Tuesday a battery operated rickshaw, —E- rickll, sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Commonwealth Games.

### EXAMPLE 3: Wipro Green It.

Wipro can do for you in your quest for a sustainable tomorrow- reduce costs, reduce your carbon footprints and become more efficient - all while saving the environment.

### Wipro's Green Machines (In India Only)

Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Greenware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

#### **EXAMPLE 4: Agartala to be India's first Green City**

Tripura Sunday announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital —India's first greencity. Tripura Natural Gas Co Ltd (TNGCL), a joint venture of the Gas Authority of India Ltd (GAIL) and the Tripura and Assam governments, has undertaken a project to supply CNG to all private and government vehicles. CNG will also be available to those now using electricity, petrol and diesel to run various machineries.

#### **EXAMPLE 5: Going Green: Tata's new mantra**

The ideal global benchmark though is 1.5. Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights. Tata Motors said the project is at a preliminary stage. The Indian Hotels Company, which runs the Taj chain, is in the process of creating eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those. And when it comes to illumination, the rooms will have CFLs or LEDs. About 5% of the total rooms at a Taj hotel would sport a chic eco-room design. One of the most interesting innovations has come in the form of a biogas-based power plant at Taj Green Cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements. Another eco-friendly consumer product that is in the works is Indica EV, an electric car that will run on polymer lithium batteries. Tata Motors plans to introduce the Indica EV in select European markets this year.

### **SWOT Analysis of Green Marketing**

As in formulation of green strategy, a firm may evolve it from a SWOT analysis Environmental Audit:

#### **Strengths:**

- Marketers get access to new markets and gain an advantage over competitors that are not focusing on—greenness.
- Marketers can charge a premium on products that are seen as more eco-responsible.
- Organizations that adopt green marketing are perceived to be more socially responsible.
- Green marketing builds brand equity and wins brand loyalty among customers E.g. research and development capabilities for clean processes and green products and human resources committed to environmental protection.

#### **Weakness:**

- Most customers choose to satisfy their personal needs before caring for environment.
- Overemphasizing greenness rather than customer needs can prove devastating for a product.
- Many customers keep away from products labeled —Green because they see such labeling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green. E.g. products cannot be recycled, and hazardous wastes of a company.

#### **Opportunities:**

- Marketing to segment which are becoming more environmentally aware and concerned. These consumers are demanding products that conform to these new attitudes.
- Organizations perceive green marketing to be a competitive advantage, relative to the competitors. Firms, therefore, strive to improve upon their societal awareness. This complements the increase in consumers'

socially conscious behavior and will therefore give them an advantage over competitors who do not address these issues

- E.g. offering an environmental friendly product and saving resources, and relating them

#### Threats:

- Uncertainty as to the environmental impact of present activities, including that is perceived to be less environmentally harmful.
- Uncertainty as to which green marketing activities are acceptable from a government perspective.
- The possibility of a backlash from consumers or government based on existing green marketing claims, threat one and two above may cause backlash to arise .E.g. competitors gain market shares with green products and increased environmental regulations).

#### Emerging Opportunities:

1. **Growing Environmental Awareness:** Indian consumers are becoming increasingly aware of environmental issues such as climate change, pollution, and resource depletion. This heightened awareness creates a receptive audience for green products and services.
2. **Government Initiatives:** The Indian government has launched various initiatives to promote sustainability, such as the Swachh Bharat Abhiyan (Clean India Campaign) and Make in India, which encourages sustainable manufacturing practices. These initiatives provide a conducive environment for green marketing.
3. **Rising Disposable Income:** As India's middle class continues to expand, there is an increased capacity for consumers to pay a premium for environmentally friendly products. This presents an opportunity for businesses to market eco-friendly alternatives.
4. **Innovation and Technology:** Advances in technology have made it more feasible for businesses to adopt sustainable practices and develop green products. This opens up avenues for innovative green marketing campaigns.
5. **Global Market Access:** Indian businesses can tap into international markets by adopting green practices and products, as sustainability is a key consideration for global consumers and investors.
6. **Consumer Preferences:** Many consumers now prefer brands that are socially and environmentally responsible. Companies that can align their marketing efforts with these values stand to gain a competitive edge.

#### Challenges:

1. **Lack of Awareness and Education:** While awareness is growing, many Indian consumers still lack in-depth knowledge about green products and their benefits. Businesses need to invest in educating consumers to create demand.
2. **Price Sensitivity:** Price remains a significant factor in purchase decisions for many Indian consumers. Green products often come at a premium, which can deter price-sensitive buyers.
3. **Green washing:** Some businesses engage in greenwashing, which involves exaggerating or misleading consumers about the environmental benefits of their products. This erodes consumer trust and poses a challenge for genuinely green businesses.
4. **Infrastructure Challenges:** India faces infrastructure challenges related to waste management and recycling. Businesses may struggle to implement sustainable practices without adequate infrastructure support.
5. **Regulatory Compliance:** While the government promotes sustainability, navigating regulatory requirements related to environmental standards can be complex and challenging for businesses.
6. **Consumer Skepticism:** Some consumers may be skeptical of green marketing claims, especially if they have encountered deceptive practices in the past. Building trust is essential.
7. **Competition:** As the green market grows, competition intensifies. Businesses need to differentiate themselves effectively to stand out.

## Conclusion

In conclusion, green marketing in India offers significant opportunities for businesses to cater to a growing environmentally conscious consumer base. However, it comes with its share of challenges, including the need for education, addressing price sensitivity, and maintaining authenticity in marketing efforts. Companies that successfully navigate these challenges can build a strong brand image and contribute to sustainability efforts in India.

Now this is the right time to select - Green Marketing globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy- efficient lamps and other electrical goods.

Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Green marketing assumes even more importance and relevance in developing countries.

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