

# Need for Sustainable Green Marketing: Initiatives and Challenges in India

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## ABSTRACT

In the context of globalization and environmental concerns, preserving consumer loyalty and safeguarding the environment have become paramount. Green marketing, a strategy gaining significance in India, is integral to promoting sustainable development. This exploratory study delves into the evolution of green marketing, its golden rules, and the marketing mix, drawing from diverse sources. The study emphasizes the need for sustainable green marketing, exploring its objectives and the challenges faced by Indian companies. Recent data highlights the profitability of green marketing, with consumer demand playing a pivotal role. The Indian corporate sector's current state is analyzed, revealing noteworthy green initiatives by companies like H.C.L., O.N.G.C., Kansai Nerolac, Wipro, I.T.C., Tata, and Godrej. Challenges encountered by green marketers include conveying new environmental ideas, addressing sustainability concerns, managing costs, gaining stakeholder cooperation, and avoiding green myopia. The study underscores the importance of aligning marketing practices with environmental considerations for a holistic, eco-friendly approach that benefits both businesses and the environment, fostering

*Keywords: Corporate social responsibility, environmental issues, green marketing evolution, Indian corporate sector, green marketing challenges, sustainable development.*

## 1. INTRODUCTION

Promoting green products is swiftly gaining popularity in the marketing industry, and data on green marketing suggest that it may be quite profitable for companies. Recent studies indicate that the revenue from green marketing was 4.6 billion US dollars in 2019 and is projected to increase to 5.6 billion US dollars in 2025. Consumer demand is one of the key factors causing this increase. 92 per cent of consumers claim that they are more likely to trust companies that actively display environmental awareness or social responsibility. It is clear that green marketing benefits not just the environment but also the financial health of companies (Yaquub, 2023).

Sustainability, or environmental issues, is one of the causes of the development of green marketing. Green marketing, as stated by the American Marketing Association, is the promotion of goods that are thought to be ecologically friendly and sustainable. Green marketing, as a result, includes a broad variety of initiatives, such as modification of products, modifications in the manufacturing process, packaging improvements, and advertising adjustments. With growing awareness of the effects of climate change, non-biodegradable solid waste, the harmful effects of pollutants, etc., consumers as well as marketers are becoming more sensitive to the need for a switch to green products and services. Green marketing refers to a holistic marketing concept in which the product, marketing consumption, and disposal of goods and services take place in a manner that is less harmful to the environment. Consumers typically consider phrases like phosphate-free, refillable, recyclable, ozone-friendly, and environmentally friendly. If a company wants to maintain its edge in the market, it must incorporate environmental considerations into every facet of marketing. (Porter, 1998)

### 1.1. Evolution of Green Marketing

According to Peattie (2001), the evolution of green marketing has three phases:

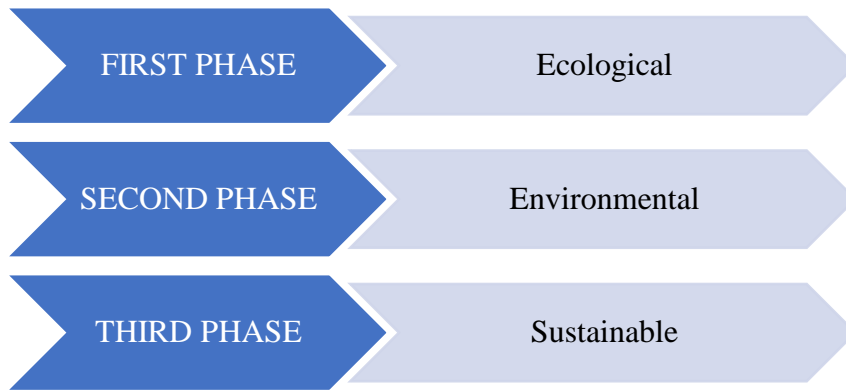


Fig1: Evolution of Green Marketing

The first stage was known as "**Ecological**" green marketing, and all marketing operations during this time were focused on addressing environmental issues and offering solutions.

The second phase was "**Environmental**" green marketing when the emphasis turned to clean technology and the creation of novel new goods to address difficulties with waste and pollution.

"**Sustainable**" green marketing was the third phase. It gained popularity in the latter stages of the 1990s and early 2000s as a result of its focus on creating high-quality products that can satisfy consumer needs while still being affordable, convenient, and environmentally friendly.



Fig2: Characteristics of Being Green (Peattie, 2001)

## 1.2. Golden Rules of Green Marketing

- i. *Understand the customer:* Ensure that the issues that the solution companies provide aim to solve are known to and felt by the consumer.
- ii. *Giving information to the customers:* It's important to explain to them why what the companies are doing matters as well as whatever they're doing is to protect the environment.
- iii. *Being authentic and transparent:* means that the company is (a) genuinely doing what companies say companies are doing in its green marketing campaign and (b) the

company's other business practices are in line with whatever they're doing that is environmentally friendly.

- iv. *Reassure the Customer:* Customers need to be convinced that a product does what it is supposed to do. This movie should not sacrifice product quality for environmental reasons.
- v. *Take Pricing into Account:* When using higher-quality ingredients, companies must make sure that the consumers can afford the extra cost and believe it is worthwhile.

### 1.3. Objectives of the Study

- i. To study the need for sustainable green marketing in today's era
- ii. To explore the marketing mix executed by green marketers.
- iii. To explore the green practices adopted by Indian companies.
- iv. To study the challenges faced by Indian companies in applying green marketing practices.

## 2. RESEARCH METHODOLOGY

This exploratory study uses secondary data to support its results. To establish the conceptual underpinnings of the green marketing concept, several studies that were published in a variety of journals were carefully examined. From the companies' websites, useful data about green marketing strategies has been gathered. Publications including periodicals, books, journals, conference proceedings, etc. are considered secondary data sources.

## 3. RESULTS & DISCUSSION

### 3.1. Need for Sustainable Green Marketing in Today's Era

- i. *Cost and earning-related issues:* Green marketing, which corporate units and organisations may employ as a tool, can be used to track businesses. Companies, organisations, and organisations that can reduce hazardous trash and scrap may save a lot of money, reduce expenditures, and increase profits.
- ii. *Adopting a corporate social responsibility strategy:* Visionary firms that are adaptable and inventive are beginning to recognise their social duty. As a result, they must act responsibly and in a way that protects the environment. Many, however, see this as an opportunity to grow money while avoiding corporate accountability. In this case, companies can choose between the two options listed below:-
  - a. Thinking that they are doing corporate social responsibility, or
  - b. being responsible without spreading these facts for the welfare of society and the environment, is being ecologically responsible. For instance, Body Shop is found to provide clients with environmentally friendly alternatives to conventional cosmetics. Instead of only being a competition vehicle, this concept is closely related to the broader corporate culture.
- iii. *Encouraging Business Opportunity:* Around 30 per cent of Indians desire to purchase eco-friendly goods. Progressive businesses and organisations perceive this as a chance to seize and gain an edge over those who have not embraced green marketing. For instance, the waxed paper company took the position of Clamshell Packaging as a result of McDonald's numerous consumer complaints over the creation of polystyrene and ozone.
- iv. *The consequence of competition on businesses:* The requirement for businesses, firms, and organisations to keep their competitive spirit is another crucial factor in the field of green marketing. Companies constantly monitor their rivals and concentrate on their environmental/ecological behaviour, practises, and initiatives. The corporate sector has made the necessary modifications to decrease its negative environmental consequences as a result of the intense pressure from competitors.
- v. *Government pressure:* Governments demand that businesses always put their customers and society first. Government regulations on green marketing are intended to significantly reduce costs for the community and for consumers.

### 3.2. Green Marketing Mix

The term "marketing mix" often refers to the assortment of strategies used by a business to introduce a product or service in the market. The marketing mix must take environmental considerations into account when using green marketing. The extended marketing mix is the term used to describe the marketing mix for items in the service industry. The four Ps of marketing also referred to as the marketing mix, are product, price, place, and promotion. In the extended marketing mix, which applies to service items, people, process, and physical evidence included to create the seven Ps. According to the principles of green marketing, every component of the marketing mix, from product development to market introduction, must reflect a green perspective (Kotler, 1991).

If a product's production process is environmentally friendly and doesn't harm the environment, it may be referred to as a "green product." A company must reduce environmental contamination during the production process. It is important to extract raw materials from products in a way that protects natural resources. As has been mentioned, waste management is a crucial subject in this context. Businesses will need to implement eco-friendly designs, and packaging should reduce dangers and pollutants. Since adjustments to the product would result in a turnaround in sales, product upgrades are worth investing in the fact that they inevitably include significant sunk costs. Reverse logistics, which involves customers returning discarded packaging, wrapping, and even used goods to the company, would significantly contribute to environmental protection (Peattie, 1999).

The cost of being green is high because it requires installing new machinery, equipment, and personnel as well as paying for external expenditures and recycling garbage. These expenses would affect a product's price. Green price is hence a premium price. Because of the high price, promotions are under additional pressure. These costs will need to be supported by marketing strategies, and customers will need to be convinced to pay more. All of this would necessitate persuasive advertising messaging. However, if packaging is eliminated, the cost of green items might be minimal. In fact, given that packaging expenses account for a sizable portion of the unit cost, several businesses have discovered this to be an appealing prospect (Peattie, 1999).

Green distribution entails channel selection that minimises harm to the environment. The majority of environmental harm occurs during the movement of products. As a result, safety measures will need to be implemented during the shipment of goods (Peattie, 1999).

Green marketing must be incorporated into a company's advertising. Through advertising, public relations, direct marketing, and sales promotions, the customer's need to be environmentally conscious must be emphasised. The two platforms that are most frequently utilised to portray a company's positive attitude toward the environment are public relations and advertising. Going green can occasionally end up being a significant PR effort because it links the company with the community. Green marketing can be used to promote products and defend their benefits and costs (Peattie, 1999).

The majority of consumers are not genuinely aware of the importance of green products due to a lack of information, so green promotional strategies should take this into account. A business can use a variety of green promoting methods to fill this informational gap. To show appreciation for a green product, consumers need to be aware of the kinds of environmental issues the solution will address. Customers should also be provided with a variety of environmentally friendly alternatives that can be used. Since some people have concerns about how well-functioning "green" items actually operate, customers require to be assured of their efficacy (Peattie, 1999).

Direct marketing channels would be more appealing to consumers that favour green items. Public relations could be envisioned as a way to create a favourable perception of the organisation as a whole. Green marketing must concentrate on identifying requirements and encouraging customers to purchase environmentally friendly products. Therefore, marketing research is required to back up green marketing strategies (Gottfried, 2004).

A business that decides to use green marketing as an operational approach will need to make some internal changes. The business process needs to be restructured because of this. It is erroneous to think that an organization's marketing department is the only one capable of using green marketing to turn things around. Green marketing will actually need to function as an environmentally friendly

approach by coordinating with other organisational activities. This suggests that a corporation must alter its corporate philosophy in order to achieve a competitive advantage. By coordinating the marketing approach with the business strategy, there must be a strategic match (Grant, 2007).

Through careful consideration of particular actions, one can bring about the shift in the company model that green marketing demands. To set benchmarks and assess the existing performance concerning environmental effects, an environmental audit must be conducted. If a company's management pushes beyond what is typically considered green marketing, it will help the company's green strategy. It is necessary to show the management's keenness. By implementing instructional programmes, employees require to be motivated to contribute positively at all times. To inform a company's stakeholders, that good performance results must be released regularly. Through ongoing learning, the processes and products must be integrated (Menon et al., 1997).

Marketers can use a life cycle evaluation of products, which allows for the listing of a product's many beneficial and detrimental contributions at various phases of its life cycle. This investigation would shed light on negative consequences during the product processing, packaging, transportation, and sales stages (Menon et al., 1997).

It is not overstated to say that firms cannot easily resolve environmental challenges. The assistance of numerous stakeholders must be gathered in this effort. Strategic collaborations can be useful in this situation. Joining forces with customers, suppliers, regulators, employees, pressure groups, and competitors is a common component of strategic alliances (Grant, 2007).

### **3.3. Sustainable Green Initiatives Taken by the Indian Corporate Sector**

- i. *Hindustan Computer Limited (H.C.L.):* The goal of H.C.L.'s "Eco-safe" plan is to create, identify, and maintain a sustainable management system for the environment at the corporate level. The main goal of H.C.L. is to properly implement product lifecycle management to ensure that the goods or services are produced, purchased by customers, retrieved at the end of their useful lives, and ethically discarded afterwards. H.C.L. might be considered the emblem or pioneer of India's environmental efforts.
- ii. *Oil and Natural Gas's Green Initiative (O.N.G.C.):* Among the best Indian organisations, O.N.G.C., our country's largest oil producer, stands out as one of the organisations that's working on the issue of building energy-efficient "green crematoriums" that are set to replace the traditional hardwood fire throughout the country.
- iii. *Kansai Nerolac's Impressions Eco Clean:* Hazardous heavy metals have been taken out of Kansai Nerolac paints' products by various removal processes. The lives of people are endangered by all toxic heavy metals. These heavy metals include but are not limited to, arsenic, lead, mercury, antimony, chromium, and others.
- iv. *Indian information technology service corporation Wipro's initiatives:* A prominent Indian company to introduce environmentally friendly products is Wipro. In order to create a more environmentally friendly atmosphere, the company has introduced a broad range of laptops and desktops under the brand name Wipro Green ware. By achieving its goals of becoming water-positive, carbon-neutral, and energy-saving, its primary green business activities are realised.
- v. *Indian Tobacco Company Ltd.'s Initiatives (I.T.C.):* For the first time in our nation, by introducing "ozone-treated elemental chlorine-free bleaching technologies", I.T.C., one of India's largest conglomerates, has been demonstrating its commitment to green technologies.
- vi. *Tata's new mantra: going green:* 1.5 is the best worldwide benchmark. Tata Motors is constructing an environmentally friendly showroom with natural flooring materials and lights that use little energy. According to Tata Motors, the project has just recently started.
- vii. *Godrej Green Center:* A "Godrej green centre" was established by Godrej, which promotes better design, operation, building, maintenance, and waste disposal while also claiming to be energy, water, and material-efficient. The Indian construction industry has gained impetus for change thanks to Godrej's green buildings.
- viii. *State Bank of India: Green IT@SBI:* SBI has signed up for a green service called Green Channel Counter. Paperless banking, no withdrawal form, no deposit slip, no checks, and no money transaction form are just a few of the various services that S.B.I. offers. S.B.I. A.T.M. and shopping cards are used for all of these transactions. To cut emissions, State Bank of India uses wind energy.

### 3.4. Challenges Faced by Green Marketers

The following are the primary challenges that Green Marketing must overcome:

- i. *New Idea*: Consumers need to be informed about the risks to the environment. The new environmentally friendly movements must be understood by the general public, which will need a lot of effort and time.
- ii. *Sustainability*: Because green technologies and products are more expensive at first, earnings are initially relatively low.
- iii. *Cost*: Green marketing incorporates green technology and green energy/ power, the creation of which requires significant financial investment in R & D projects. Subsequent promotional initiatives may also result in increased expenses.
- iv. *Non-cooperation*: Companies using green marketing must work hard to persuade the stakeholders, and frequently they will fall short in their efforts to convince them of the long-term advantages of green marketing over short-term costs.
- v. *Customers' persuasion*: The company should make sure they take all reasonable steps to persuade consumers about their green product; the best solution is to adopt eco-labelling programmes.
- vi. *Avoiding Green Myopia*: In order to be successful, green marketing must simultaneously enhance the environment and please customers.

### 4. CONCLUSION

Since most environmental problems are related to consumption, marketing strategists have become aware of how they affect the global society through time and some have considered how to address these concerns. Due to businesses figuring out how to be attentive to environmental concerns, green marketing has started to gain prominence. Businesses have realised the importance of green marketing as a step towards meeting client needs while understanding the contribution to the development and growth of a company.

"Green marketing" refers to the practice of promoting environmentally safe products, creating and marketing products that reduce environmental risks, and creating, marketing, and packaging products in environmentally responsible ways. Green marketing is creating a connection between the client and the company. The interaction between customers and a corporate organisation changes qualitatively as a result of a green marketing strategy. By deliberately putting the items in the minds of consumers, the proactive strategy in green marketing aims to obtain a competitive edge.

A green marketing plan offers a company several advantages that can be used to gain a competitive edge. These advantages would be beneficial to a company as a result of decreased production costs, the promotion of positive brand and company perceptions, and the positioning of the product in the customer's mind to make it the best-remembered product. Customers will be able to purchase high-quality goods at fair costs, boosting the economic well-being of society and increasing consumer happiness. The contributions made by many stakeholders and functional divisions of a firm are crucial to the accomplishment of a green marketing strategy.

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