INTRODUCTION

“The environment cannot be improved in conditions of poverty, unless we are in a position to provide employment and purchasing power for the daily necessities of the tribal people and those who live in around our jungles, we cannot prevent them from combing the forests for food and livelihood; from poaching and from despoiling the vegetation. How can we speak to those who live in villages and slums about keeping the oceans, the rivers and the air clean when their own lives are contaminated at the source?”

-- Indira Gandhi, Stockholm Conference, 1972

1.1 GREEN MARKETING:

Environmentally responsible or "green" marketing refers to the satisfaction of consumer needs, wants, and desires in conjunction with the preservation and conservation of the natural environment. Considered an oxymoron by many environmentalists (because it still promotes consumption), green marketing manipulates the four elements of the marketing mix (product, price, promotion and distribution) to sell products and services offering superior environmental benefits in the form of reduced waste, increased energy efficiency, and/or decreased release of toxic emissions.

The evolution of green marketing can be divided in three phases:

1. The first phase was termed "Ecological" green marketing. During this period all marketing activities were concerned to solve environment problems and provide remedies for such problems.

2. The second phase was "Environmental" green marketing and the focus shifted to clean technology that involved designing of innovative new products, which takes care of pollution and waste issues.

3. The third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.
Defining green marketing is not a simple task because several meanings intersect and contradict each other. An example of this is the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are *Environmental Marketing* and *Ecological Marketing*. 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 in the production process, packaging changes, as well as modifying advertising.

Polonsky in an edited book of K. Suresh defines green marketing as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the natural environment.” 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.

To understand green marketing one needs to know the four Ps of green marketing.

### 1.1.1 Green Products:

There is no widespread agreement on what exactly makes a product green. Some general guidelines include that a green product:

- does not present a health hazard to people or animals
- is relatively efficient in its use of resources during manufacture, use and disposal
- does not incorporate materials derived from endangered species or threatened environments

*Figure 1: Green Product of Henkel India Ltd.*
• does not contribute to excessive waste in its use or packaging and
• does not rely on unnecessary use of or cruelty to animals.
• Other favorable attributes from the green point of view are the incorporation of recycled materials into the product and the product’s own recyclability.

GREEN PRODUCTS

![Image of green products attributes]

**Figure 2: Green products**

1.1.2 Greener Pricing:

A central concern of many environmentalists is that product prices do not reflect total environmental costs. A number of companies have undertaken audits of their production processes to identify hidden environmental costs and to provide better information for pricing decisions. Emissions charges, carbon taxes, and increased fines are possible methods governments might use to implement better environmental costing. European firms have been particularly proactive in this area, developing a method of environmental auditing (*the eco balance*) bridging the gap between standard accounting practice, in which data
are expressed solely in conventional monetary terms, and qualitative environmental impact reports.

### 1.1.3 Green Promotion:

Perhaps no area of green marketing has received as much attention as promotion. In fact, green advertising claims grew so rapidly during the late 1980s that the Federal Trade Commission (FTC)\textsuperscript{68} issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising.

The FTC offers four general guidelines for environmental claims:

1. Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
2. Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
3. Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
4. A claim comparing the environmental attributes of one product with those of another should make the basis for comparison sufficiently clear and should be substantiated.

The FTC's Environmental Marketing Guidelines provide additional guidance for a number of specific claims including "Degradable/ Biodegradable/ Photo-degradable," "Compostable," "Recyclable," "Recycled Content," "Source Reduction," "Refillable," and "Ozone Safe/Ozone Friendly." They strongly recommend avoidance of overly general claims such as environmentally friendly.
1.1.4 Greener Distribution:

Logistics and transportation costs are coming under greater scrutiny due to rising fuel prices, congested highways, and global-warming concerns. Package redesign for lighter weight and/or greater recyclability reduces waste while simultaneously reducing costs. In some countries, marketers must also consider two-way flows, as governments pass legislation requiring manufacturers to take back products at the end of their useful life ("reverse logistics").

"Why should man expect his prayer for mercy to be heard by what is above him when he shows no mercy to what is under him?"

–Pierre Troubetzkoy
1.2 ETHICS IN GREEN MARKETING

Friedman\textsuperscript{49} says that business has no social responsibility beyond that of increasing profits so long as it stays within the rules of the game, that is, engage in open and free competition without deception or fraud. In other words, business has no business to consider question of good or evil, stillness of social justice or environmental sustainability. This raises the question of whether there is a distinction to be drawn between ethical action and good business sense. Green marketing may be viewed as a strategy for the future or for profitability. Decision-making in business has become complex as environmental questions have been raised about all aspects of corporate activity. Since business is in the community and works within a physical and ethical framework, it has to consider the environment as an ethical issue.

The rate of environmental degradation has intensified. The nineteenth century witnessed the firms large scale pollution as companies geared themselves to produce goods as fast as possible, with virtual disregard to human or environmental well-being. Nations battled for industrial supremacy using raw materials and creating pollution at a staggering rate. As countries became economically stronger, competition also grew. More efficient production methods were employed, and very few companies, gave a thought to the impact they were having on their surroundings. With increase in water pollution from chemical works, and air pollution from the iron and steel industry, towns and cities began to pay the price for high industrial productivity.

The three Rs of environmentalism are:

1. Reduce
2. Reuse and
3. Recycle

Green marketing takes into account the wider relationship of the organization and its products to the surroundings. It is about a more aware, open, targeted
and sensitive approach that integrates the strategic link between the company, the environment and marketing, rather than being primarily concerned with tactical communication opportunities. The prime emphasis is on, developing relationships and satisfying separate stakeholder needs in an environmentally and socially responsible manner. The key stakeholders are customers, investors, the parent company, directors, employees, the community, legislators, pressure groups, supplier, and the media.

Green marketing differs from its societal and ecological predecessors by intertwining of ecological and social concerns, in the breadth of the ecological agenda that it tackles, and in its potential application across all types and sectors of business. Green marketing goes beyond societal marketing in four key ways:

- It is an open-ended rather than a long-term perspective
- It focuses more strongly on natural environment
- It treats the empowerment as something which has an intrinsic value over and above its usefulness to society
- It focuses on global concerns rather than those of particular societies
1.3 GREEN CONSUMER BEHAVIOR

“We say we love flowers, yet we pluck them. We say we love trees, yet we cut them down. And people still wonder why some are afraid when told they are loved”

Author Unknown

1.3.1 Green Consumer:

A green consumer is one who is very concerned about the environment and, therefore, only purchases products that are environmentally-friendly or eco-friendly. Products with little or no packaging, products made from natural ingredients and products that are made without causing pollution are all examples of eco-friendly products. The green consumer would be the type to drive a hybrid vehicle, buy products made with hemp or those made from recycled materials. Green consumers can be defined as one:

“Who is mindful of environment related issues and obligations, and is supportive of environmental causes to the extent of switching allegiance from one product or supplier to another even if it entails higher cost.”

Marketing to the Green Consumer often make purchase decisions based on information about the product rather than a catchy advertising campaign. According to Jacquelyn Ottman\textsuperscript{119} of J. Ottman Consulting, green consumers seek out the following when making purchase decisions:

- Green consumers want to know how raw materials are procured and where they come from, how food is grown, and what their potential impact is on the environment once they land in the trash bin.
- Green consumers patronize manufacturers and retailers they trust and boycott the wares of suspected polluters.
- Green consumers often do not have the same consumptive spending patterns as the mass consumer.
1.3.2 Green Consumerism:
Green Consumerism is based on public awareness of pressing environmental issues. Green marketers hope to capitalize on this by developing strategies that allow consumers to integrate green products into their lifestyles. Many such efforts by green marketers have met with considerable success. The "organic" industry, for example, which specializes in the sale of organically based foods, health and nutritional products, and other green lifestyle items.

1.3.3 Green Consumer Purchasing Behavior
Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, collect and interpret information, make plans, and implement these plans (eg. By engaging in comparison shopping of actually purchasing a product), making purchase decisions (eg. whether or not to purchase a product and, if so, which brand and where) and post purchase behavior. In simple words, consumer behavior can be defined as, “Study of how people or organization behave when obtaining, using, and disposing of products and services”.

Green Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. This means understanding the consumer’s behavior as a process in purchasing goods and services. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased green consumption.

In India even the post purchase behavior such as, product disposal is great area of interest in green consumer behavior study, for example second hand market for car is quite big, hence Maruti entered in this segment by introducing True Value.
1.3.4 Green Consumer Conservation Behavior

Limiting use of scarce natural resources for the purposes of environmental conservation can be called as green consumer conservation behavior. When are consumers likely to conserve and how can consumers be motivated to act in more environment friendly ways are two big questions in front of marketers. Consumers are most likely to conserve when they accept personal responsibility for the pollution problem. For example, consumer who perceive that there is an energy shortage because of consumption by all consumers (including themselves) are more likely to accept personal responsibility and so do something about it. However, consumers often do not feel accountable for many environmental problems and are not motivated to act. Thus for conservation programs to succeed, messages must make the problem personally relevant. For example, to get consumers to conserve energy by turning down the thermo star, messages could focus on how much energy and money consumers will save each year and over a longer period of time. Consumers are also most likely to conserve when there are no barriers to doing so.

Sources of influence

Figure 4: Influences on and of consumer behavior
“We shall require a substantially new manner of thinking if mankind is to survive”
- Albert Einstein

1.4 GREEN CONSUMER ATTITUDE

An attitude is a way one thinks, feels, and acts favorably or unfavorably based on learning towards some aspect of market stimuli such as retail store, product, and brand.

Consumer attitudes are a composite of a consumer’s (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some “object”—within the context of marketing, usually a brand, product category, or retail store.

1.4.1 Thus Attitudes are:

- Predispositions towards action
- About or towards people and things
- Evaluating people, objects and ideas
- Made up of emotional reaction (affective), thoughts and beliefs (cognitive), and actions (behavioral) components.

Strength of attitude increases with accessibility and knowledge about the topic in question. Attitudes are often learned from other people and are often a defining characteristic of groups. It can also be genetic. A strong attitude is very resistant to change.

1.4.2 Attitude Characteristics: The main characteristics of attitudes are:

Attitudes are learned from personal experience, information provided by personal sources, and company sources, in particular exposure to mass media. Attitude is concerned with the evaluation of all the objects that are stored in the memory. Persons do not formulate attitudes for the objects that are not in the memory. Based on the learning in memory customer make his purchase
decisions. Marketer’s job is to make customer learn about their product. For example, Pepsi came out with a promotion scheme at the launch of Lehar Pepsi. It gave an ad in the newspaper, inviting readers to try it simply by tearing the ad and getting a free Pepsi in exchange of it. The promotion generated excellent word of mouth publicity for the brand. In the process consumers read the advertisement and learned about the new product.

1 Attitudes are predisposed. When customer learns then he formulates his attitude inclined as either positive or negative, which directs the customer actions. Thus, attitudes have a motivational quality; that is, they might propel a consumer toward a particular behavior or repel the consumer away from a particular behavior.

2 Attitudes are directed towards an object, here objects mean anything living or nonliving that means anything that is stored in the memory of the individual. Consumers can have attitude towards a tangible such as air-conditioning product, or intangible as Voltas AC brand, is called an attitude object. Objects in which marketers are interested to know the attitude of the customers in brand, company product, advertisement, price etc. In other words an attitude is about evaluating people, objects and issues. For eg. Coca-Cola knew that most of the Indians have positive attitude towards cricket (object). Also color red is associated with youth, energy and passion (positive attitude); Coca-Cola got associated with the cricket fever in India. It said “The word which hits TV Screens was an attempt to show how much both cricket and red objects are linked to the Coca-Cola. This is forming an attitude toward the product with the help of favorable factors.

3 Attitudes are consistent, thus consumer show consistency in behavior. Attitude once formed is long lasting because it tends to endure over time. But attitudes can change they are not permanent. Hence marketer job is to maintain the positive attitude and change the negative attitude, if any, towards their product.
1.4.3 Attitude and Behavior Linkage

There is a linear linkage between behavior and attitude. They are discussed in detail in research. Research has discovered that there are several conditions that lead to a strong link between attitudes and behavior.

- **Attitude Specificity**: Some researchers believe that an attitude is only related to behavior if they are both on the same level of specificity in time, objects, scope and circumstances. For example, if attitude is ‘I really like listening Radio Mirchi FM radio, in the evening, there is a greater chance that one would listen to radio Mirchi FM radio. This statement has reference of time that is evening, object radio music and scope listening Radio Mirchi. Then if one has generic attitude “I like listening music”. Market researcher should measure an attitude grounded in the reality of time place and ability to act upon them. Therefore asking ones attitude toward music would not be as useful in predicting whether someone would listen to the radio Mirchi FM radio unless their specific attitude is listening music on FM radio at what time is captured.

- **Attitude Strength**: Some attitudes are extremely important, there is high degree of attitudes like enthusiastic or horrible, and they correspond to behavior. While other attitudes are less central or amenable to change that may not lead to behavior. For example, a Hindu may maintain a very strong attitude against beef eating. This attitude, because of its pervasiveness, is likely to predict behavior. He/she would never eat beef. While, by contrast, his attitude toward other food may be less likely to aid in attitude prediction. Additionally, the more “vested interest” a person has in the issue, the more likely attitudes and behaviors will be correspondent. Thus if a person has heart problem he is likely to have a negative attitude towards beef and would avoid eating it.
• **Direct Experience**: As discussed before, attitudes are often formed from our direct experience. As compared to any other method, attitudes held with greater confidence, are more specific, more easily recalled, more resistant to change, and more likely to influence or subsequent behavior. Those attitudes formed in this way are often more consistent with behavior.

1.5 GREEN MARKETING REGULATIONS IN INDIA

"Progress is possible, No one can stop it, but obstacle is there, we have to face it"

Amartya Sen

1.5.1 Environmental (Protection) Act, 1986

In the Constitution of India it is clearly stated that it is the duty of the state to ‘protect and improve the environment and to safeguard the forests and wildlife of the country’. It imposes a duty on every citizen ‘to protect and improve the natural environment including forests, lakes, rivers, and wildlife’. Reference to the environment has also been made in the Directive Principles of State Policy as well as the Fundamental Rights. The Department of Environment was established in India in 1980 to ensure a healthy environment for the country. This later became the Ministry of Environment and Forests in 1985.

1.5.2 Air (Prevention and Control of Pollution) Act 1981:

The objective of this Act is to provide for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Decisions were taken at the United Nations Conference on the Human Environment held in Stockholm in June 1972, in which India participated, to take appropriate steps for the preservation of the natural
resources of the earth which, among other things, includes the preservation of the quality of air and control of air pollution.

1.5.3 Water (Prevention & Control) Act, 1974

The objectives of this are to provide for the Prevention and Control of Water Pollution and the maintenance or restoration of the wholesomeness of water for the establishment (with a view to carrying out the purposes aforesaid) of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.

1.5.4 Wildlife Protection Act, 1972

According to this Act, "wildlife" includes any animal, bees, butterflies, crustacean, fish and moths; and aquatic or land vegetation which forms part of any habitat. In accordance with Wildlife (Protection) Amendment Act, 2002 “no alternation of boundaries/ National Park / Sanctuary shall be made by the State Govt. except on recommendation of the National Board for Wildlife (NBWL)”.

1.5.5 Hazardous Wastes (Management and Handling) Amendment Rules, 2003

These Rules classify used mineral oil as hazardous waste under the Hazardous Waste (Management & Handling) Rules, 2003 that requires proper handling and disposal. Organizations will seek authorization for disposal of hazardous waste from concerned State Pollution Control Boards (SPCB) as and when required.
1.5.6 Ozone Depleting Substances (Regulation and Control) Rules, 2000

A notification dated 17th July, 2000 under sections 6, 8 and 25 of the Environment (Protection) Act, 1986 has notified rules for regulation/ control of Ozone Depleting Substances (ODS) under Montreal Protocol. As per the notification, certain controls and regulations have been imposed on manufacturing, import, export and use of these compounds. Organizations, as per provisions of notification shall phase out all equipments, which use these substances. The aim is towards Cloro Floro Carbon free organizations in the near future.

1.5.7 The Eco –Labeling Scheme:

To increase consumer awareness, the Government of India launched the eco-labeling scheme Ecomark’ in 1991 for easy identification of environment-friendly products. Any product which is made, used or disposed of in a way that significantly reduces the harm it would otherwise cause the environment could be considered as Environment-Friendly Product.

The criteria follow a cradle-to-grave approach, i.e. from raw material extraction, to manufacturing, and to disposal. The Eco mark’ label is awarded to consumer goods which meet the specified environmental criteria and the quality requirements of Indian Standards. Any product with the Eco mark (earthen pot) will be the right environmental choice.
1.6 OBJECTIVES OF THE STUDY

1. To assess the awareness of consumers regarding green products
2. To analyze the attitude and behavior of Indian consumers towards green products
3. To identify obstacles that respondents perceive to come in the way of adopting green lifestyle
4. To segment consumers in Pune according to their green lifestyle and to come up with five consumer segments:
   - belonging to highly green group (True Blue Greens)
   - belonging to moderately high green group (Green Backs)
   - belonging to medium green group (Sprouts)
   - belonging to low green group (Grousers)
   - belonging to non green group (Basic Browns)