



## A CONCEPTUAL STUDY ON GREEN MARKETING TOWARDS ORGANIC PRODUCTS

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### Abstract

Green issues and products have gaining much importance in India. Even if the Indians have not become many consumers for the green organic products yet, a growing number of consumers prefer to give more important to green organic food. Indian organic food market is success in the export markets. Supporting and promoting organic farming products on both domestic and international markets requires significant efforts, including those in the green marketing area. The requirement of the green marketing requires new thinking and action towards new responsibilities and solutions. The big task of the marketing is to bring the green market problems under the form of new products concept, the change of the existing products through ecological improvement and discard the ecologically obsolete products. But the market for organic food products has niche, it is still in nascent stage. It leads to the emergence of using different green marketing Strategies to bring them into the niche market to main stream of world organic industry. This is a conceptual paper explores the concepts and evolution of green organic marketing, its benefits, importance, green organic marketing mix, and SWOT analysis of green organic products market. Green marketing mix highlights the strengths and weaknesses of Indian organic produce to develop a competitive edge to enhance the export share for India in the global market and grow towards sustainability.

**Keywords:** Green environmental issues, green organic farming, Green organic Market, Green organic food products, Green organic product Sustainability, Green organic marketing mix, green organic market SWOT analysis.

### Introduction

In today's business world environmental and social issues plays an important role in marketing. Global Warming is the main factor which increases in earth's temperature caused by burning of fossil fuels and other pollutions in the air. As per the predictions by IPCC (Intergovernmental Panel on Climate Change) the global temperature is likely to increase by 1.1 to 6.4 degrees Celsius "between" 1990 to 2100. This leads to growing interest among consumers all over the world regarding protection of environment, which led to the emergence of Green Marketing in providing sustainable and socially responsible goods and services. The societies also become responsible towards natural environment. So, business organizations try to change their behavior towards societal concern. Many governments around the world felt the importance of organic marketing activities and make attempt to implement regulations to protect their countries natural resources, health of the society and sustainability towards in future. So, it is the social responsibility of all the stakeholders like companies, firms, NGO's, Cooperative farming societies, farmers, middlemen's ,retail merchants and consumers to practice Green marketing in their daily life. They try to change themselves from conventional method to organic method which is very much essential for the growth and sustainable development of the environment and society.

### Importance of the Study

We can use the word green has alternatively organic in the Agricultural Industry. As we are all know agricultural industry is the back bone of the Indian economic development. The farmers are facing so many issues related agriculture industry like, low price for their crops, lack of storage facilities, in sufficient supply chain management, high cost of chemical fertilizers, storage of water, and electricity supply, migration of marginal labors from rural area to cities, shortage of manpower, Less support from Government for agriculture, problem in repayment of loan, so this makes farmer to go for suicide. Because of this farmers lose confidence on agriculture and see towards Industrial sectors for their livelihood. But organic farming is an opportunity for the farmers to overcome from these problems. Now days a healthy way of human life requires organic products which protect the environment and the quality of life. Organic products have relevant green characteristics and particular benefits for the consumers, the producers and the environment. The benefits support the rapidly growing world market of organic food in both developed and developing countries.

### Literature Review

**Leila Hamzaoui-Essoussi and Mehdi Zahaf (2012):** in his study titled "The Organic Food Market: Opportunities and Challenges". The study highlights the issues related to the importance of the channels of distribution, labeling and certification process and food mileage in the organic food market. The increasing number of O F (organic food) consumers and the changes in organic product retailing still leads to an important imbalance between supply and demand high operating costs as well as poor supply reliability. The most trusted channel of distribution across all OF consumers is the organic food store, then health food stores, and producer-to-consumer channel. Whereas purchasing local foods is a possible pathway for achieving sustainability.



**Saloni Mehra and P.A. Ratna (2014):** conducted a research on the title “Attitude and behavior of consumers towards organic food: an exploratory study in India”, he attempted to analyze the factors influencing the attitude and behavior of consumers for organic food, the Six factors namely – perception towards organic food, health consciousness, product information, value for money, accessibility and trust were identified. And it reveals the Health consciousness and perception towards organic food were the most influential factors on the attitude of the consumers towards organic food. (Most of the consumers in the middle income group showed a positive attitude towards organic food).

**Kaman Lee (2008):** conducted a study on the topic “Opportunities for green marketing: young consumers”. The study shows that the key to successful green marketing among adolescents in Hong Kong lies in four factors 1. Peer network (social influence); (2) emotional appeal (environmental concern); (3) image branding (concern for self-image in environmental protection); and (4) behavioral efficacy (perceived effectiveness of environmental behavior).

**Raghavendra B.N. & Usha C. (2014):** The researcher explores the “Green Marketing: It’s Strategies for Sustainable Development”. This article explores the necessity, benefits and challenges of Green marketing. It also focuses on the strategies that makes eco-friendly environment through Green Marketing. Main problems are Lack of consumer awareness, Limited scientific knowledge, Financial constraints, Deceptive marketing, Lack of stringent legal standards. There are sufficient opportunities for green marketing but it may also face lot of challenges. Proper campaigns shall be used to educate them. Green marketer must find an opportunity to enhance product's performance and strengthen customer's loyalty.

**Padmathy.J & R. Saraswathy(2016):** “study on the consumers’ buying behavior towards organic food products in thanjavur district”. The study reveals that the consumers have positive behavior towards purchasing organic food products, when it comes to actual purchase price, environmental concerns and quality are still the key factors to influencing their purchase decisions. So, Green marketers must understand, identify and design marketing mix strategies to appeal to the preferences of the market segments for green products.

**Shandini. P and N Raman (2016):** conducted research on the Topic “Marketing of Organic Food Products at Madurai City”. This article analyzes the marketing strategies adopted by organic shop retailers; ascertain marketing related problems perceived by the retailers. It highlights the factors influencing consumer preference towards organic food purchase, so the organic producers and marketers can benefit while doing strategic market planning. Promotional advertisement strategy of organic products and improvement in product features would lead to increase in consumption of organic food products. Hence, it is in hands of the retailers to market their products in such a way that the customers can be easily attracted.

#### Objectives of the Study

- To know the Concept, Issues, Evolution and Benefits of green organic product marketing.
- To analyses the green organic product marketing mix
- To study the SWOT Analysis of green organic product market.

#### The Major Key Causes of Global Green Environmental Issues are,

1. **Carbon dioxide** emitted from the Power Plants, Cars, airplanes and other industries.
2. **Methane** emitted from landfill, petrochemical factories and steel and fertilizer plants.
3. **Nitrogen dioxide** emitted from waste combustion, agriculture water pollution and sewage.
4. **Harmful gases** emitted by industries, and manufacturing units, which are causing depletion of Earth’s ozone, layer.
5. **Deforestation** is another major contributor towards global warming.

The solution to these issues lies in “**Going Green**” in our thoughts, behavior and actions. The consumers and corporations need to concentrate on clean and environment friendly products and services. Green revolution, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more has become a very important in our everyday life.

#### Definition of Green Marketing

**According to the American Marketing Association (AMA),** “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”.

**Polonsky (1994)** defines green marketing as “all activities designed to generate and facilitate any exchanges

#### Green Environmental Sustainability

It is defined as a management approach that involves developing strategies that sustain the environment and produce profits for the company. It is a crucial but burdens some social target for many companies; they are taking at least some actions to



protect and preserve the environment for future. The importance attributed to sustainable development in the OF industry may be considered as a competitive advantage in relation to organic food and it increase consumers' trust in organic food products. Adding the sustainability claim to organic seems difficult to justify as organic still has a long way to go, especially for regular and emergent OF consumers.

### **Green Organic Farming**

As per the definition of the USDA study team on organic farming “organic farming is a system which avoids or largely excludes the use of synthetic inputs (such as fertilizers, pesticides, hormones, feed additives etc.) and to the maximum extent feasible rely upon crop rotations, crop residues, animal manures, off-farm organic waste, mineral grade rock additives and biological system of nutrient mobilization and plant protection”.

A widely accepted definition for organic agriculture is that “Organic agriculture is holistic production management system which promotes and enhances agro eco system health, including biodiversity, biological cycles, and soil biological activity”. An organic farming system is designed to enhance biological diversity within the whole system; increase soil biological activity; maintain long-term soil fertility; recycle wastes of plant and animal origin in order to return nutrients to the land, this minimizing the use of non-renewable resources; handle agricultural products with significance on careful processing methods in order to maintain the organic integrity and vital qualities of the product at all stages; This established on any existing farm through a period of conversion, the appropriate length of which is determined by site-specific factors such as the history of the land, and type of crops and livestock to be produced.

### **Green Organic Farming Provides Long-Term Benefits to People and the Environment**

By Promoting the organic arming the farmers may get the benefits of Good yield of crops, Energy, it Reduce greenhouse gas emissions and climate changes, Conservation of water, localization of sale reduce long distance transportation cost, eliminating the use of pesticides, impact on eco system, nutritional benefits, organic seed saving, number of Job creation and growth towards sustainability.

### **Organic Farming Aims to**

- It increases the long-term soil fertility.
- It controls pests and diseases without harming the environment.
- It ensures that water stays clean and safe.
- It helps the farmers to use resources which are already having, so the farmer needs less money to buy farm inputs.
- It produce nutritious food, feed for animals and high quality crops to sell at a Good price.

### **What is Green Organic Product?**

1. Organic products are those which are produced, processed, packed and sold without using any chemicals. Organic products includes diverse food categories ranging from fruits & vegetables, milk and dairy products, processed foods like (Pre-chopped vegetables, fruits canned in their own juice), pulses & food grains, Meats, eggs, poultry, seafood, Honey, Bakery products, Baby Food, Ready to eat foods, Stimulants (sweets, coffee, tea, and cocoa), Herbs and medicaments, beverages, confectionaries, All Other products etc.
2. Organic farming means using modern scientific knowledge and technological combine with useful traditional farming methods and no need to go back for hundreds years ago methods of traditional farming, using organic manures and pesticides is not only for fruits and vegetables but animals also.
3. Conversion of conventional land to organic it is process of 6 years to meet the standards set by the national organic standards Board (NOSB).
4. Organic food seems to more cost than conventionally grown food because it incurs true cost of growing food organically. (More cost of labor, seeds, fertilizers, manures) no subsidies provide by the government as it required.

### **Characteristics of Green Organic Product**

1. Products which are grown naturally (organic farming).
2. Products those are recyclable, reusable and biodegradable.
3. Products with natural ingredients.
4. Products containing recycled contents, non-toxic chemical.
5. Products contents under approved chemical.
6. Products that do not harm or pollute the environment.
7. Products that will not be tested on animals.
8. Products that have eco-friendly packaging i.e. reusable, refillable containers etc.



#### Four Green Organic Product Principles

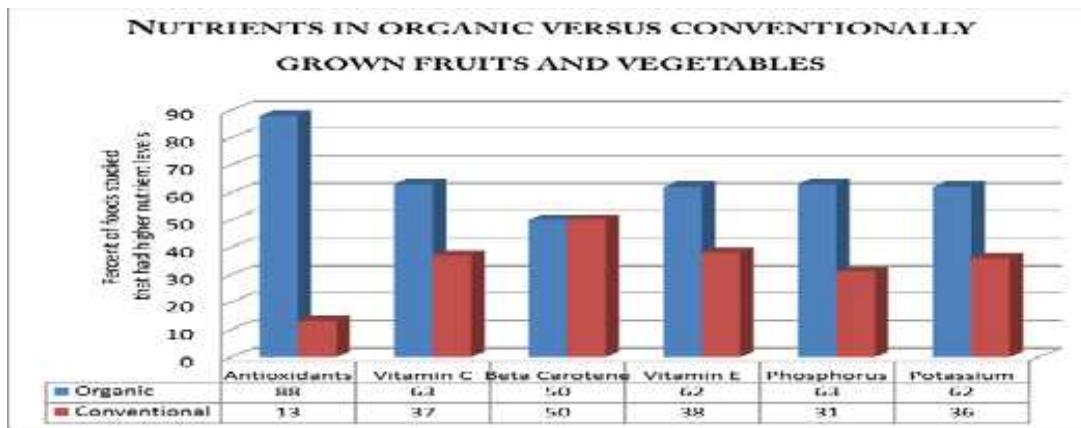
- **Principle of ecology** in agriculture based on living ecological systems and cycles for sustainability
- **Principle of fairness** with regard to common environment and life opportunities
- **Principle of care** that underlines precautionary and responsible manner of practicing organic agriculture to protect the environment for current and future generations
- **Principle of health** for the soil, animals, humans and planets one and indivisible

**Knowing the labels is important to decide to purchase organic product :**( Use of the USDA Organic seal is optional)  
 Labels with following symbols are:

- “**100 % organic**” means – (100% organically grown.)
- “**Organic**” means - (95% or more organic ingredients)
- “**Made with organic ingredients**” means- (at least 70 % organic ingredients)
- “**Ingredient panel only**” means – ( Less than 70% organic denoted in ingredients list only)

#### Advantages of Green Organic Products

- Non organic growers actually reduce production cost by over 25%.
- Eliminate the practice of using synthetic fertilizers and pesticides.
- Reduces the soil erosion up to 50% and increases crop yields up to five-fold within 5 years.
- Free from harmful chemicals, artificial flavors and preservatives.
- Eating organic foods may reduce the risk of heart attacks, strokes and cancer.



#### Why We Need to use Green Organic Products

It is healthier, chemical free, High nutritional, Natural in nature, Environmental/ Animals friendly, Free Genetically modified organisms(GMO), It is certified by responsible boards, It is tastier, feeling fresh, and has high quality.

#### Reasons for the Premium Price Charged for Green Organic Products

Truly speaking the price of the organic products is not expensive while considering social political, economic and environmental dimensions, but we need to know who and what makes to pay more price for production. The conventional agricultural is subsidized in almost all parts of the world. But much support is given for organic farming. Other than this most important costs incur for organic farming is cost of consultants, certification process, Inspection etc. It should certify by (NOSB), USDA, and NPOP affiliated bodies.

#### Green Organic Food Industry

India today is on the gateway of an organic revolution and Indian Organic Food industry though at a nascent stage; it was experienced steady fast growth in past few years. The country’s growing organic food market is transforming into world’s fastest growing organic food market depend on a shift in consumer behavior and spending patterns.

#### Green organic food category and Products

Green organic food category	Green organic food products
Organic cereals	Wheat, rice, maize or corn
Organic pulses	Red gram, black gram





Organic fruits	Banana, mango, orange, pineapple, passion fruit, cashew nut, walnut
Organic Oil Seeds and Oils	Soybean, sunflower, mustard, cotton seed, groundnut, castor
Organic vegetables	Brinjal, garlic, potato, tomato, onion,
Organic Herbs and Spices	Chili, peppermint, cardamom, turmeric, black pepper, white, pepper, amla, tamarind, ginger, vanilla, clove, cinnamon, nutmeg, mace,
Others	Jaggery, sugar, tea, coffee, cotton, textile

### Government Regulation & Certifications

In India, APEDA (Agricultural and Processed Food Products Export Development Authority) regulates the certification of organic products as per the National Standards for Organic Production. (NPOP) aims at establishing national standards for organic products were launched. In 2000, GOI (government of India) released the National Standards of Organic Products (NSOP) that stipulated mandatory inspection and certification by nationally accredited certification body for labeling and selling products as 'organic'. The logo 'India Organic' was released on 26<sup>th</sup> January 2002 to support the NPOP.

### Inspection and Certification of Green Organic Products

The NPOP was developed and implemented by National Steering Committee of Organic Products (NSCOP), through the Government of India's Ministry of Commerce. NSCOP is responsible to formulate a National Accreditation Policy and Program and to draw up National Standards for Organic Products. The standards for the NPOP and the NAP were prepared on the basis of the guidelines evolved by the International Federation of Organic Agriculture (IFOAM), the EU regulations and the Codex Alimentarius Commission.

### The Indian Green Organic Logo of NPOP and American Green Organic Logo of USDA



Source: NPOP Website



Source: USDA website.

### Green Organic Channels of Distribution

It includes the Original producer to ultimate consumer between this two there is middleman's like wholesaler, retailer and brokers. The middleman refers to those individuals or institutions outlets, firms shop dealers, brokers who facilitates, negotiates or sell in the capacity of brokers and agents. These players generally make up the marketing channel they are -

1. **Broker:** An intermediary whose job is to bring together buyers and sellers. The broker does not carry inventory, but is involved in the finances or risk assessment
2. **Facilitator:** An intermediary who assists in the distribution process but neither takes title to goods nor negotiates purchase or sale
3. **Merchant:** An intermediary who buys, takes title to and resells merchandise
4. **Producer:** An individual or NGO's, CO operative farming societies, company that produces the goods for the market
5. **Retailer:** A business enterprise that sells the goods directly to the consumer
6. **Sales Agent:** An intermediary who searches for a consumer and negotiates on producer's behalf
7. **Sales Force:** A group of people hired by the company to sell its products and service.
8. **Wholesaler (distributor):** A business enterprise that sells products to those who buy for resale or other business use

**Green Organic Market Segmentation:** The Indian organic market segmented into two types.

- **Organized Sector:** This sector is commended by the brands players and they operates through traditional business channel. This got very much important in urban India.
- **Un Organized Sector:** This sector includes of certified, or non-certified, non-braded players and they more on faith. This got much importance in rural India.

**Based on the needs and demands of the market, the green organic product market is classified into the domestic market into three segments:**

1. **Open Market:** This segment includes the traditional shops, wholesalers and small mom and pop stores



2. **Mainstream:** This segment includes big retail chains and outlets (both national and regional level) and stand-alone stores
3. **Food Service/Institutional Buyers:** This segment includes hotels, restaurants, caterers and other institutions

### Green Organic Marketing Mix

Many green strategies are part of overall marketing strategies. Green marketing strategies like traditional marketing strategies depend on the main 4P's. When companies/farmers come up with new innovations and ideas like eco-friendly products, they will access new markets, to enhance their market shares, and increase profits. As we have 4Ps of product, prices, place and promotion in marketing, we have 4ps in green organic marketing too, but they are a bit different.

- **Green Organic Product:** Green means Organic and it is promoted as chemical free. Environment friendly products tend to save money, water and other natural resources; Procurement is done at various places. Packaging of the product is good and recyclable in nature. Quality testing of the product is done at each point of the value chain. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment.
- **Green Organic Price:** Green organic food market is a price sensitive market. It takes into consideration the people, planet and profit in a way that takes care of the health of employees, farmers and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization etc.
- **Green organic Place:** Green organic place is managing logistics to cut down the transportation emissions, thereby it effect aiming at reducing the carbon footprint. For example instead of marketing an imported mango juice to India, it can be licensed for local production. It avoids shipping of product from far and reducing shipping cost and more importantly, the consequent carbon emission from ships and other modes of transport. Selling of the products is done by two channels. Availability of the product is not proper in the market.
- **Green organic Promotion:** It is influenced mainly by buying behavior of the customers is mainly influenced by the lady of the house. So they are to be targeted, and majorly it is mouth publicity. Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind.

### SWOT Analysis of Green Organic Products Market

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Safe Food products</li> <li>• High Quality and improved nutrition</li> <li>• Improved soil health</li> <li>• Environmental Sustainability</li> <li>• Preserves traditional varieties</li> <li>• Favorable Climatic Conditions</li> <li>• Young Customer Base</li> <li>• Double Benefits</li> <li>• Slightly lesser prices compared to specialized shop of “healthy nutrition</li> <li>• Presence of own farmer Base / Strong Sourcing.</li> <li>• Own processing and packaging unit.</li> <li>• Well Organized State of Art Lab for quality testing and R&amp;D.</li> </ul>	<p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Lack of awareness among farmers</li> <li>• Lack of awareness in Rural areas</li> <li>• Less Incentive from Government</li> <li>• Intensive in nature and high labor cost</li> <li>• Productivity gaps</li> <li>• Cost of Production is more</li> <li>• Products are not made readily available in the city</li> <li>• Demand assessment is not proper</li> <li>• Weak Marketing.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Rising Middle Class</li> <li>• Rising Modern Retail</li> <li>• Rising Urban Drift</li> <li>• Surge in Disposable Incomes</li> <li>• Growing Health Awareness</li> <li>• Reduce heavy subsidies on Food and Fertilizers</li> <li>• Earn High Export earnings</li> <li>• It is a large untapped market.</li> <li>• A developing segment of Health Conscious people.</li> <li>• Non-presence of suppliers of Organic food.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Substitutes</li> <li>• Competition</li> <li>• Costly and complex certification process</li> <li>• Lack of Infrastructure and certification bodies</li> <li>• Low awareness about Organic inputs</li> <li>• Introduction of GM crops</li> <li>• Authenticity of the organic product (certification)</li> <li>• Mind Set of people.</li> <li>• Coming up of some new concept of food products giving people the required Health and other benefits.</li> </ul>



## Conclusion

India is fast emerging as one of the largest potential markets for organic food products. India's nascent organic food market is fast transforming into the world's fastest growing organic food market. As the consumers are aware of the dangers disease are faced by the public by using the chemical farming food, and it also causes harm to environment, farmer and human health. So, the demands for organic food products are more. Consumers are highly sensitive towards organic product price. It is the responsibility of the companies to make them aware of the value added for the price they are offering for organic products. The main problems are Lack of consumer awareness towards the product, Limited scientific knowledge, Financial constraints, Deceptive marketing, Lack of stringent legal standards. There are sufficient opportunities for green organic marketing but it may also face lot of challenges as considerable percentage of population are not aware and also willing to know the affairs of green organic marketing initiatives. There is a more need for educating and also facilitating organic farmers in certification of organic products, and analyzing the consumer's behavior, attitude, and willingness. Then only it is possible for the marketer to attain sustainability in organic food industry through green marketing strategies so, proper campaigns shall be used to educate them. Green marketer must find an opportunity to enhance product's performance and strengthen customer's loyalty.

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