



## GREEN MARKETING IN INDIAN PHARMACEUTICAL MARKET: A REVIEW

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### ABSTRACT

According to American Marketing Association- "Green marketing is the marketing of the products that are presumed to be environmentally safe". Green marketing has arisen as an answer to the growing concern of the environmental state which has a huge influence on the society's well-being. Green marketing is a holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way. Sustainable business practices are important not only for today but also for securing business tomorrow. This paper propounds a literature evaluation on pharmaceutical green marketing consisting of the definition of green marketing, implementations of it at various stages, green marketing adoption by organizations and pharmaceutical groups based on advertising techniques, and consumer's viewpoint towards green marketing and pharma market in India. Data collected over ten-year period results in objective which measures the impact of green marketing aspects consisting of green marketing strategies, green consumers, green communication, green segmentation and targeting, green supply chain and its management, green promoting approaches on the overall performance of pharmaceutical groups in India. Consumer's viewpoint in the direction of green products attracted the pharmaceuticals firm most. Though numerous researches have been carried out on green marketing, there is a dearth of papers that takes pharmaceutical green marketing into account and this paper focuses on the essential aspects of green pharmaceutical marketing.

**Keywords:** Green marketing, Pharmaceutical market, Marketing Mix.

### 1. INTRODUCTION

In recent times, the need for green marketing is growing rapidly as global earth is facing unprecedented pressure due to the exhaustion of natural resources. There is a need to introduce a sustainable market that focuses on environment- friendly products referred to as "Green". Green marketing mainly emphasizes on the product and its marketing strategies however that would be challenging for the organizations too. This can be achieved by targeting the supply chain and focussing on the marketing mix. The organizational structure of products and services has changed due to the increasing concern of consumers towards environmental changes. The organization needs to be consumer-centric and hence there is a need to address environmental concerns and changing the traditional way of selling products to green selling. In a developing country like India, it is easy to implement the green market. This paper focuses on the aspects of the green pharma market.

### 2. GREEN MARKETING

What exactly does it mean? It is "the implementation of

promoting programs directed at the environmentally-conscious market segment" [1]. It also implies that designing the product in a way that is much less detrimental to the environment rather than making it the completely environment friendly. It no longer entails entirely eliminating the hazardous components that are employed in the manufacturing process of the final product [2]. It consists of modifying the product, its packaging, changing manufacturing process, and modifying the advertisement. To accomplish organizational goals, the organization pursues green strategies [3]. These strategies are innovation, making the method green, and green alliance. Green Innovation means creating new products and services that communicate positively to stakeholders in an organization. On another hand, greening the method incorporates the production of products or delivery of services instead of greening the organization. The company makes use of the green alliance or partnership to raise green orientation [3]. There are various life stages of the product and one can attempt to make it less harmful at each stage in the manner given in fig. 1 [2]:



**Fig. 1: Life stages of a product and how they can be made less harmful at each stage**

However, still, confusion exists in the mind of human beings what we call as green marketing myopia which plays more attention to the greenness of the product over consumer's expectations. The marketers working on green products need to apprehend that their product has to fulfil the quality as well as the consumer satisfaction. They simply can't focus on the product at the expense of the consumer's needs and satisfaction. Much research has proved that many products have failed in the market due to this false impression of green marketing myopia and led to consumer's reluctance. Effective green marketing requires effective strategies considering the consumer's need in mind [2]. Practically, organizations have avoided green marketing myopia by considering three C's. The first is consumer value positioning which deals with targeting right segment and positioning a valuable product in a way which is useful to them. The next is calibration of consumer's knowledge which deals with educating the consumers that connects the product's key message to their values. The last is the credibility of product claims which ensures that producers are making sure that the product provides all the benefits and quality that they claim to be [1]. According to research carried out in pharmaceutical firms in Kenya, it is discovered that the idea of green marketing has not been completely established in the firms which may be due to less awareness among them regarding the same however, firms have come up with the notion of saving resources, using biodegradable substances and disposing of the waste in an eco-friendlier manner [4]. Green marketing

is more or less concentrated on the premium segment who wants them to be recognized with the groups who are green compliant and are ready to pay for the product, this is in accordance with the study carried out on Ghanaian customers [5]. Green marketing not only offers environmental safety however additionally provides sustainability to both the consumers and the organization [6]. Many pharma businesses put into effect green marketing to gather opportunities, social and environmental responsibilities, to withstand competition and cost reduction in production. Six green marketing strategies (planning, implementation, managing the development, pricing, promotion, and distribution) helps to apprehend the relationship between consumer and stakeholder, environmental and social value, branding, and proactive business and additionally to achieve competitive advantage [7]. Green marketing improves the social image of the organization by using several green marketing techniques and strategies which are safe for the environment [8]. According to a study performed on Indian pharma organizations, two strategic aspects are necessary for sustainable performance outcome which can provide a competitive advantage to the pharmaceuticals industry, these are; [9].

## **2.1. Strategic Market Orientation**

### **2.1.1. Strategic Innovation Orientation Firms**

Now the question arises what is meant by these two terms? Strategic market orientation is more consumer-oriented and competitor oriented whereas strategic

innovation orientation firms can be described as the firm's capability to interact in innovative practices. Green innovation practices such as climate strategy, managing carbon emissions, energy-efficient approach, water management, waste management are vital for sustainable development, organisational performance, and ecological balance [10]. The organizations can additionally use digital energy instead of energy produced by various resources to complete certain missions as too much deforestation can lead to global warming and additionally ozone layer depletion [8].

### 3. GREEN MARKETING RULES

#### 3.1. Knowing consumer

An organization must know that consumer knows about the product and concerned about the issues that the product is dealing with [11].

#### 3.2. Educating the clients

It's no longer simply an issue of telling individuals that whatever they are doing is to secure the world, moreover, it is a matter of telling them what difference it will make. An organization needs to educate its consumer about the green product as to how it will be useful for them and to the organization and even for the environment [12].

#### 3.3. Genuineness and Transparency

It implies that-

- a) Organization is doing what they declare to do, and
- b) Business arrangements are reliable and must be in line with environmental agreeableness [11]. **Buyer Reassurance**

Consumers must be taken in confidence for the product quality [11].

#### 3.4. Pricing

If an organization is charging a premium for the product, they must ensure that shopkeepers can manage the value of the premium and must be capable to fulfil the consumer's need, despite of all the difficulties [11].

### 4. INITIATIVES BY PHARMACEUTICAL INDUSTRY

To launch the product at the right time, it is essential to generate desirable revenue. However, it does imply that launching the green product first in the market would clear up the motive of making a profit. This would only work when there is appropriate resource support from the management. Besides this reality numerous firms do not suppose that introducing green products is a part of the service that they are presenting to the customers. To make the industry generate a profit, the industry needs to think in a way of fulfilling consumer's expectations. Usually, consumers are more attracted to innovations or high-quality products. All this is feasible when the action plan is in line with appropriate assets and appropriate management which consists of human organizational and physical support [13]. The project supervisor should additionally look in the IT industry about the present-day technological modifications so that they can maintain moving organization by focusing on present-day trends [14]. The management needs to be consumer centric by means of offering product which is economically viable and would generate profit. Only those firms who are financially robust would capable to change their own organization culture to deal with the new applied sciences coming up in the market. The success of the firm in green products is possible if they learn from other company's work and utilize their resources in a greater sustained manner, however, the green initiative requires heavy resource commitment [13]. To incorporate green principles into the pharma sector, these are the four predominant pillars of change and which can withstand the competitive environment. The first is safety that deals with effective and excellent quality products which is least harmful to the environment. Efficacy entertains the potential to produce the green product on which consumers can rely on. And, then comes the concept of reliability. The more reliable the product the greater would be the consumer base. The last is the economy, the green product that is produced ought to be economical so that consumers can purchase it, and additionally it should be such that it can generate revenue.



Fig. 2: Pillars of change to withstand competitive environment to an organization

When we speak about green product production, we need to eliminate the use of artificial and chemical products as lots as possible. And here comes the concept of green chemistry. Green Chemistry offers with the usage of less harmful raw materials, avoiding the use of chemicals, using less poisonous organic solvents. It is believed by many scientists that green chemistry would change the way pharmaceutical industries work and there manufacturing procedure shortly. Though Green Chemistry has drawn the interest of most of the scientist however many industries are a long way away to accept this [15]. Organizations that enter into green marketing have greater access to new markets and they enjoy the competitive advantage. Green marketing is advantageous to the pharmaceutical industry in the following manner [16]:

1. There is long term growth of an organization along with profitability.
2. Preliminary price in green marketing is more however it helps in saving cash.
3. Organizations also experience pride in being an environmentally responsible company.

## 5. STRATEGIES FOR GREEN MARKETING

According to a paper, companies can reconstruct the products. Four strategies are used to segment the economy of green market outline in the fig. 3 [7].

Vertical axis dominates the ability of green market segments to absorb and the horizontal axis dominates the ability of an organization to differentiate the product via greening.

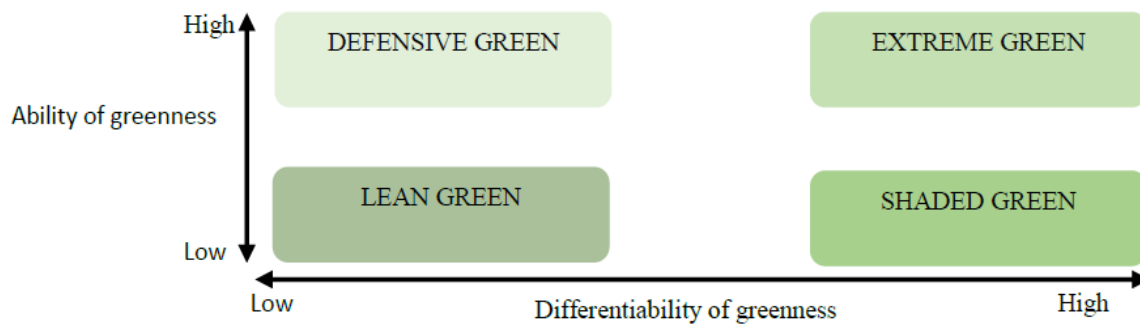


Fig. 3: Strategies for green marketing

### 5.1. Lean green

Company has to be accountable for society and centred towards cost reduction and enhance efficiency through environmental activities, this helps in constructing a competitive advantage primarily based on low cost.

### 5.2. Defensive green

It is used for the anticipation of business enterprise crisis or shielding from the competition.

### 5.3. Shaded green

Long term investment takes place in an organization that requires financial and non- financial resources. The organization perceives it as the moment to go for radical innovation technologies to be more consumer-centric which also provides a competitive advantage.

### 5.4. Extreme green

Environmental issues are a major concern here. The organization reduces market gaps via distribution channels and devoted outlets.

## 6. GREEN MARKETING MIX

These are the company-controlled variables and the consumer has no role to play in it. It includes the following:

### 6.1. Product

The green products should be designed by keeping the environmental factors into consideration. According to literature, green Chinese consumers depict that they are more concerned about resources such as energy and water. They believe in cost-saving products with minimal organic and green chemical usage. They focus more on changing R&D techniques that are more environment friendly [17]. Recycling, reducing packaging materials, reuse, enhancing product sturdiness, reparability square measure some facet concedes to turn out green products [18].

### 6.2. Price

Price is an integral and essential aspect. Most consumers pay additional value if there's a perception of additional

product value. Green Marketing needs to take visual appeal, designing of the product, performance, function, and taste of the product into consideration while charging a premium price [16]. The price of a green product sometimes makes consumers move towards conventional products as it is cheap and used by many people [19]. In China, it is the least investigated topic, however, it is the only thing that brings revenue to an organization. Therefore, for green products the pricing strategies can be penetrating, skimming, bundle, and top-rate pricing [17].

### 6.3. Place

Seeking out environmental-friendly products would be a strenuous job for quite a few shoppers. Such shoppers do not appear to be inclined to explore for locations where green products can be promoted or scrutinize on the shelves [20]. According to the literature in China, it is more oriented in the direction of green logistics and the relationship between green logistics management and business performance [17].

### 6.4. Promotion

Promotion deals with how brand awareness can be created among consumers. This can be achieved via advertising, personal selling, and with proper communication between the organizations and customers. This can be done by targeting different segments that have certain environmental beliefs [17]. In an article, it is proposed that green selling may adopt and learn several techniques from ancient selling, to create use of others than labelling to push green products. This could facilitate in making market and create strategic use of the normal positioning ways of value, place, and promotion [20]. The upcoming trend is social network marketing which is now used as a green strategy for both local and international organizations to pull new customers from nearby or from worldwide. It returns focuses on perceived quality or brand based advantage. A social network marketing strategy can thereby find different parameters that can be used to develop a new, more effective framework. The framework usually consists of setting the objectives to be reached via strategy, targeting identified customers, formulating core strategies including value proposition for positioning a product and implementation of a strategy, or even planning of how to reach objective decided while setting a framework [21]. Green customers read green selling efforts to assess the result of promotions and their profit to the

surroundings [18]. Green showcasing is moreover referred to as natural promoting. According to Polonsky, green advertising is often characterized as, "All exercises intended to supply and encourage any trade expected to meet human needs or has to such an extent that fantastic of their needs and desires happen with a negligible unfavourable contribution on the national environment." Green showcasing is a pursuit plan which is finally recommended to divert customer's attention to ecological equity, and their ability to carry up under the expenses connected with it [11]. Most consumers purchasing green products exhibits pattern which shows that they need a brand that will turn into "go green" [22].

## 7. SEGMENTING GREEN MARKET

The green segmentation is based upon geographic, cultural, psychographic, and demographic variables. In a study, demographic and psychographic variables were combined to spot green customers, as an example three segments were identified which were "uncommitted", "green activist", and undefined [23].

## 8. TARGETING GREEN MARKET

It is seen that females are more influenced by advertisements of the green market than males. This market segment is stable enough to be a profitable market phase for businesses. Additionally, it is found that females construct a lot of trials than males to get environmentally desirable products. With females already being the consumer for several products, this study suggests that corporations target females for their green products more [24].

## 9. MARKET ORIENTATION

Marketing orientation can be described as by means of which organization obtain and makes use of the consumer's information, obtain and implement strategies which can meet consumers need and desires. Customer needs and expectations are the most vital components of market orientation. The market orientation concept focuses on the adaptive ability of firms around the market place and measures the degree of market orientation [3]. Strategic green marketing orientation and tactical green marketing orientation are the key concepts that develop the willingness of the consumers to pay extra for the green products [25].

## 10. GREEN COMMUNICATION

Communication is a powerful tool that provides information and helps in building the consumer's

confidence and trust [20]. Devoting advertising expenditures to put together an effective pro-environment name will have a serious impact on the environmentally aware client [24]. The internet plays an important role between entrepreneurs and consumers and additionally helps in understanding the competitors. The success of the organization lies in understanding the needs of the customers and pleasing them with excessive-quality. If an organization wants to establish its green products successfully in the consumer's mind, communicating through the company website would be a brilliant initiative. According to an article, Kline believes that "those who were involved in the green marketing in the 1990s has missed some basic facts"-like communication alone is not enough and may additionally even be dubious, since "the most beautiful green messages come out of the dirtiest industries". This was referred to as "the green misleading". If the production process of an organization remains unchanged and only the product acquires the new outfit, the consumers discover this and even the corporate reputation may reduce. This phenomenon was considered as "green washing". It is essential for the organization to work on both i.e., the product and production process to be a successful green company [26].

### 11. TARGETING SUPPLY CHAIN MANAGEMENT

Supply chain management is the value chain that covers all the aspects from the seller to the tip customer [27]. It can be used as an opportunity to enter into a new market [28]. The methodology followed for the dynamic transportation of raw and finished materials gives insight on industrial techniques for green pharmaceuticals [29].

### 12. GREEN MARKET IN INDIA

The next question that arises is; what is the future of green market in India? Increasing prices, increasing pollution and increased resource consumption is an alarming situation in India which is ultimately developing the interest of marketers towards the less hazardous and healthier high-quality products. Very soon all marketers will adopt the green marketing. At the same time there is a need to get rid of green marketing myopia by shifting from "sales of goods" to "sales of service" which depends upon communication and positioning of the product [30]. Green Marketing has now turned out to be compulsory for all the organisations to save the environment. Green Marketing

is more appropriate for countries which are still developing, like India [19]. According to a study carried out on Indian retail market, retailer- consumer performs an important role in positioning a green product into the market. It allows recognizing consumer's need and their behaviour towards green marketing [31]. Healthcare is India's fastest growing sector when it comes to medical devices, medical infrastructure, curative rehabilitative care, and many more. Healthcare in India is growing at highways with health insurance and telemedicine being emergent concepts. Hospitals in India have also started using green products for serving their patients through their facilities. Hospital infrastructure healthcare is now involving with greenery products by embracing and integrating with the idea of reusing and recycling of products [32]. So, it's time to switch the industry towards green marketing which can be beneficial in terms of saving money as well as getting new opportunities in the market from the existing consumer base [32]. India is the country of youth. Everyone should take it as a responsibility to use green products and follow the green marketing processes to enhance the sales of the organization and even encourage them to use green marketing [33].

### 13. PHARMACEUTICAL WASTE AND ENVIRONMENTAL IMPACT

With the side effects of medicines on the environment, the question arises whether the effects need to be considered on humans as well as on the environment. This is how came the concept of eco pharmacology and pharmacovigilance, which considers both the aspects [34]. According to the paper, the traditional approach of pharmacovigilance is to consider the human aspects in post-marketing surveillance however the future lies in considering the environmental aspects [34]. According to the paper, research discloses that pharmaceutical waste has been observed in soil and water bodies. This will increase the environmental threat and therefore there is a need to dispose of pharma waste in an eco-friendlier manner. To attain this each one of us involved in this chain including doctors, pharmacists, other health professionals, and the end consumer can make contributions [35]. Doctors can achieve this by adopting medical therapy which is beneficial to both patients and the environment [35] while pharmacists can contribute by making consumers aware of returning unused or expired medicinal products to community pharmacies. Also, good relations with the patients would assist in

making them aware of the disposals of medicines. Community Pharmacies can additionally organize various programs for the same [35]. Below are the several challenges faced by the pharmaceutical industries while turning into green-

1. Lack of government support that resulted in an agreement with NCCSD (2006) on literature review [36].
2. The major challenge is the lack of understanding about green marketing among suppliers and purchasers [36].
3. Handling competitors, company policies and organizational culture, changing organizational culture is altogether a difficult task [36].
4. Companies ought to make sure that whatever they claim it meets the requirements of country guidelines and these claims ought to truly pay attention to environmental attributes and benefits [36].
5. Government policies are designed in a way that provides opportunity to client to form a decision and to encourage them to discharge duty towards the environment [37].
6. Credibility- Many issues arise when firms use green marketing. A company must make sure that they do not misguide the patron and not disobey the govt. insurance policies [36].
7. The last challenge arises at the site of the consumer as they lack information about green products and therefore are less interested in it. Moulding the consumer's mind towards green products would be a great challenge for the pharmaceutical companies while generating revenue too [36].

#### 14. CHALLENGES CONFRONTED BY GREEN MARKETING

The major challenge is to penetrate the new green movement to the individuals which can spend a decent quantity of their time and energy [19]. A lot of amount will be spent on research and development for green products and their resultant promotional programs [19]. There was very little marketing research done by companies to trace customer's actual desires and responses [38]. Taking a consumer into confidence would be another great challenge for the organisation [19].

#### 15. CONCLUSION

Findings show that implementing green marketing in India would be fruitful to organisation as well as beneficial for the environment also. To create a

successful green market organization should get rid of green marketing myopia which can be reduced by following 3C's of marketing. Premium segment can be targeted who are ready to pay for the costly products and also need recognition as a green user. Various strategies mentioned in this paper are taken into consideration for a successful green market. Consumer's positive behaviour towards green products has attracted the pharmaceuticals firm most. Several green marketing rules have been quoted in this paper which results in a successful market. There are four pillars of change which need to be considered by the pharmaceutical companies while converting themselves into green. However, this paper is unable to find how products can be positioned in the market and further investigation is required.

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