

Green Marketing: A step towards Sustainable Business Development

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Abstract

The Green Marketing is one of the hottest topics of discussion nowadays in the area of the marketing. Green Marketing is a philosophy which primarily advocates sustainable development. The Green Marketing is holistic marketing concept incorporates a broad range of activities, wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment. According to Mr. J. Polonsky, green marketing can be defined 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 national environment". Today Green Marketing has incorporated a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Green marketing involves developing and promoting products and services that satisfy customers' wants and desires for quantity, performance, affordable pricing and convenience without having a detrimental input on the environment. Green marketing is inevitable. There is growing interest among the consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged creating awareness among the consumers all over the world regarding protection of the environment in which they live. Today it is evident that many consumers are becoming more concerned about environment-friendly products. The objective of the paper is to examine the evaluation of green marketing and its implementation by various corporates in India. It also highlight the need of green marketing in the corporate world. Further, the study helps to know the various practices made by companies for promoting green environment and also aimed at transforming the consumer minds and their perceptions towards environment.

Keywords: Green Marketing, Production, Environment, Consumption, Protection, Consumers and Pricing.

Introduction

The origins of the environmental movement can be traced back to different parts of the world throughout history. The environmentalist movement, at least in Europe, grew out of the reaction to the industrialization, growth of cities and poor air and water quality. Green Marketing was given dominance after the proceedings of the first workshop on Ecological

Marketing held in Austin, Texas (US), in 1975. The workshop released the first book on green marketing entitled “Ecological Marketing”. It can be defined in three different ways: First, Green Marketing is the marketing of products that are presumed to be environmentally safe. Second, Green Marketing is the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality. Third, Green Marketing is the efforts by organisations to produce, promote, package, and reclaim products in a manner that it is sensitive or responsive to ecological concerns. Sustainable development is the organizing principle for sustaining finite resources necessary to provide for the needs of future generations of life on the planet. It is a process that envisions a desirable future state for human societies in which living conditions and resource use continue to meet human needs without undermining the “integrity, stability and beauty” of natural biotic systems.

Objectives of the study:

The following are the objectives of the study.

The main objective of the study is to analyse the Green Marketing towards Sustainable Business Development. The other objectives of the study are as listed below:

- i. To study the evaluation of green marketing.
- ii. To analyze the importance of Green Marketing and Indian Corporate Sector.
- iii. To assess the strategies for green marketing

The study undertakes to recognize the objectives by employing a well-structured and more appropriate methodology. The study is based on the secondary data available from various sources. The data are sourced from different text books, journals, newspapers, and various websites.

Review of Literature

Joseph & Rupali Korlekar (2012), there is a scope for in-depth studies on green marketing to be conducted in developing countries like India, not only on understanding consumer’s perception but to study the detailed profile of such consumers who have a more positive attitude towards green marketing and green products. Sourabh Bhattacharya (2011) states that the green marketers in India should carry out heavy promotional campaigns, because majority of the Indian consumers are price-sensitive and is not sure about the quality of green products. Dileep Kumar (2010) in his study analysed that how far the hotel business organisations in the tourism sector meet the customer’s needs through green marketing effort and how they influence the consumer behaviour and their satisfaction by inducing environmentally responsible behaviour. Artee Aggrawalet. Al. (2010) in their study, outlined that Eco-responsible (Green) organisations have a tough task to optimise their product offering mix in such a way so that they can not only attract customer towards them but also can have their products price competitive. Vijay Jain et. al. (2010) in their study, summarized the three C’s process for green marketing implementation as Consumer Value Positioning, Calibration of Consumer Knowledge and Credibility of product. Ramakrishnet. Al. (2010) in their study understood that the factors for going green as Goodwill, Differentiation, Competition, Pressure Groups, Government Pressure, Customer Demand, New Market Entry.

Evaluation of Green Marketing

Several books on green marketing began to be published thereafter. Green Marketing concept has been evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First Phase: "Ecological" green marketing and during this period all marketing activities were concerned to address environment problems and provide remedies for environmental problems. Second Phase: "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third Phase: "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Retrieval Model of Green Marketing

The following are the most important factors such as advertising, the work of mouth highlight the importance of the terms like believe knowledge and also the importance of espoused attitude. Whereas the other factors such as quality and place have less importance as people perceive green products as only fairly-good compared to conventional products.

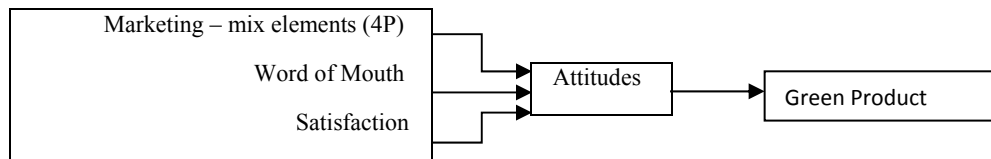


Figure 1. Process of Green Product Purchase Intention

Source: Magali Morel, *Green Marketing*.

Reasons for Adoption of Green Marketing:

The following are the reasons for adoption of Green Marketing:

- Opportunities or Competitive Advantage
- Corporate Social Responsibility (CSR)
- Government Pressure
- Competitive Pressure
- Cost or Profit Issues
- Increased Customer Consciousness
- Deterioration of Climatic Conditions

Principles of Green Marketing:

Companies have an ethical responsibility to present green products and services without misleading the public and falsely claiming environmental benefits. Due to the increased access to information through the internet, consumers can more easily identify companies engaged in green marketing which can serve as a change agent to help business leaders see a path to sustainability that is not only economically advantageous, but also required to remain competitive. Following are the some of the principles to be followed by the companies practicing Green Marketing:

- Embrace and consider the interrelationships of sustainable business practices, smart growth, conservation, new urbanism, and recycling/reuse.

- Inform customers and clients of the significance and value of LEED, Energy Star, and other green and sustainability rating systems relevant to their business and lifestyle.
- Identify how the green philosophy can be employed in business and marketing activities of all types.
- Integrate green concepts, viewpoints and benefits into every marketing project.
- Inform and educate associates and clients of green options and incentives that encourage and enable resource efficiency.
- Maintain and promote awareness of trend in sustainability, eco-friendly business practices and economic development.
- Implement resource-efficient and green practices in the office environment.
- Promote and form coalitions with suppliers, staff and clients to foster resource efficient activities.
- Develop, implement and maintain green concepts and the green paradigm in interactions with our clients and their customers.
- Recognize, validate, and respond to concerns and priorities of our communities and stakeholders.

Emerging needs of Green Marketing in the corporate world:

The human being has limited resources on the earth to fulfill their needs. As firms have limited natural resources they have to develop a new ways of satisfying consumers wants. Some of the reasons can be explained in following way:

- *Cost minimization:* The companies can reduce the detrimental wastes and can reduce the cost significantly. When companies try to reduce their waste then they also try to reevaluate their production processes. Due to these companies not only reduce waste but reduce the need for some raw materials also.
- *Government Pressure:* Now because of the growing awareness of the people the Government also wants to protect the consumers and the society. The government has also formed some regulations to protect the consumers.
- *Corporate Social Responsibility:* Nowadays the companies have started realizing that they are the part of the society. So they should have in much more responsible way. Even customers or the consumers become more concerned about the Green Marketing and they have asked many companies to disclose their steps taken for the green marketing.
- *Cut-Throat Competitive Pressure:* Sometimes to retain the competitive position in the market the companies are compelled to modify and reduce the behaviour which is detrimental for the society and environment.

Table 2: 4Ps of Green Marketing

S.No	4P's	Green Marketing
1	Product	Environmental Needs, Recycled Products, Environmental Packaging, Green labels, Organic products and certified products.
2	Price	Premium price, added bonus, life cycle costs

3	Place	Location, Broad market place, consistent with image
4	Promotion	Sustainable marketing and communication tools, paid advertising, public relations, sales promotion, direct marketing and on-site promotions, publicize employee's green initiatives.

Source: Magali Morel, Green Marketing

Product: The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources. The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment.

Price: Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or state. Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity.

Promotion: 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. British Petroleum displays gas station which its sunflower motif and boats of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine.

Place: The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products. Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint.

Sustainable Development

Sustainable development is a process for meeting human development goals while sustaining the ability of natural systems to continue to provide the natural resources and eco system services upon which the economy and society depends. While the modern concept of sustainable development is derived most strongly from the 1987 Brundland Report, it is rooted in earlier ideas about sustainable forest management and twentieth century environmental concerns. As the concept developed, it has shifted to focus more on economic development, social development and environmental protection. The term green includes ecological, political, corporate social responsibility, fair trade, conservation, non profit, new consumerism, sustainability and equality.

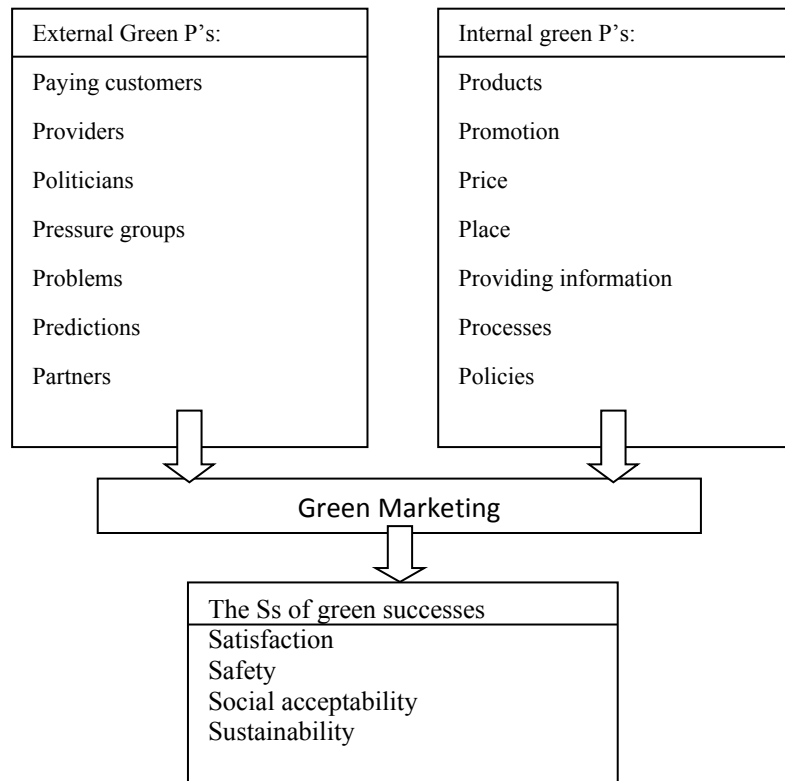


Figure 2 The Green Marketing Process
source: *Green marketing: Strategies and Challenges*, T.Sudhakar Paul.

Keys to Green Marketing:

- Know your customer
- Educate your customer
- Being genuine & transparent
- Reassure the buyer
- Consider your pricing
- Give customer an opportunity to participate

Green Marketing: India Scenario

The subject of green marketing is vast, having importance implications for business strategy and public policy. Clearly, green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997). Green marketing also ties closely with issues of industrial ecology and environmental sustainability such as extended producers liability, life cycle analysis, material use and resource flows, and eco-efficiency.

- a. India is the topper in a short list of countries opposing deforestation and pollution.
- b. According to a recent survey by Green tribunal 78% of the consumers are ready to pay premium price to buy green products.
- c. Rest of the people is spending 10% more on the product in case it is a green product.
- d. 86% of the Indian people say that they are affected by the green marketing
- e. Amul, HCL, Infosys, Dabur, Suzlon etc are the leading Indian companies in this aspect.
- f. Indian government banned plastic bags, encouraging electric hybrid vehicles, construction of green buildings, using alternative sources of energy etc.

Green Marketing and Indian Corporate Sector

Number of companies in India is beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated in to the firm's corporate culture. There are basically five reasons for which a company should go for the adoption of green marketing:

- g. Organisations perceive environmental marketing to an opportunity that can be used to achieve its objectives.
- h. Companies believe that they have a moral obligation to the more socially responsible.
- i. Cost factors associated with waste disposal forces firms to modify their behaviour.
- j. Governmental bodies are forcing firms to become more responsible.
- k. Competitor's environmental activities pressure firms to change their environmental marketing activities.

ITC Limited:

ITC's Agri Business Division, one of the India's largest exporter of agricultural commodities, has conceived e-Choupal as a more efficient supply chain aimed at delivering value to its customers around the world on a sustainable basis. e-Choupal is an initiative of ITC Limited, a conglomerate in India, to link directly with rural farmers via the Internet for procurement of agricultural and aquaculture products like soybeans, wheat, coffee, and prawns. It is the world's largest rural digital infrastructure benefiting over 4 million farming families. ITC's Social and Farm Forestry initiative has greened over 80,000 hectares creating an estimated 35 million person days of employment among the disadvantaged. ITC's Sustainable Community Development initiatives include women empowerment, supplementary education, integrated animal husbandry programmes.

LG India:

South Korean consumer durables major LG Electronics has introduced LG LED E60 and E90 series monitors in the Indian market. The LED E60 and E90 series monitors are packed with the eco-friendly features such as 40 per cent less energy consumption than the traditional LCD monitors. Also, the use of hazardous materials such as halogen or mercury is kept to minimal in this range. Globally, LG launched a range of eco-friendly products 'Eco-Chic' such as the platinum coated two-door refrigerator and washing machine with steam technology.

HCL:

In 2011, HCL launched its range of eco-friendly notebooks, HCL ME 40. HCL claims that this was India's first PVC free and eco-friendly notebook. This notebook is completely free from polyvinyl chloride (PVC) material and other harmful chemicals. Further, Bureau of Energy Efficiency has given HCL eco-friendly products a five-star rating, and they also meet REACH (REACH is the European Community Regulation on chemicals and their safe use) standards and are 100 per cent recyclable and toxin free.

Haier:

Haier India launches the green initiative with its "Eco-Life" series, as a part of its global rebranding exercise. This is aimed at designing smart products which not only meet customer needs, but also adhere to environmental norms. The company's eco-friendly offerings include refrigerators, semi and fully automatic washing machines, split and windows air conditioners, a wide range of LED & LCD TVs and the Spa range of water heaters.

Wipro:

The other company to launch wide range of eco-friendly desktops is Wipro. Introduced under the Wipro Green Ware initiative, these products aim to cut down e-waste in environment. Here, the systems launched are toxin free and operate under a total recycling policy. With the removal of the toxins, recycling of the electronic products would be safer, say company executives. Wipro has 17 e-waste collection centers in India where products are collected and recycled. Also, 12 Wipro campuses in the country have been certified as green buildings.

MRF Tyres:

Next in the line to join the eco-friendly product wagon is the Indian tyre manufacturer MRF with its ZSLK series. The premium eco-friendly tubeless tyres MRF ZSLK are made from unique silica-based rubber compounds and promises to offer fuel efficiency for vehicle owners.

Fevicol:

Fevicol, a leading brand of adhesive in India, has introduced environment friendly synthetic resin adhesive. Claiming to be India's first eco-friendly adhesive, Fevicol AC Duck King Eco Fresh, boasts of being an all-in-one adhesive. The company says that this water-based adhesive has exceptional bonding strength and spreads smoothly at room temperature without emitting any toxic fumes. It is an ideal adhesive for AC Duct insulation for all residential and industrial projects.

Other Initiatives:

- Barauni refinery of IOC has been taking steps to restrict air and water pollutants.
- McDonald's restaurant's napkins, bags are made of recycled paper.
- Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution.
- Coca-Cola has been pumping syrup directly from tank instead of plastic which saved 68 million pound/year.

Strategies of Green Marketing

Marketing literature on greening products, firms builds on both the societal and social marketing research. Social marketing focuses on designing and implementing programs that increase the acceptability of a social idea, cause, or practice in target group. Green marketing involves focusing on promoting the consumption of green products. Therefore, it becomes

the responsibility of the companies to adopt creativity and insight, and be committed to the development of environment-friendly products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards “greenness”.

- Adopt new technology/Process or modify existing technology/Process so as to reduce environmental impact.
- Establish a management control system that will lead to adherence of stringent environmental safety norms.
- Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.
- Marketing Audit
- Develop a marketing plan outlining strategies with regard to 4P’s.
- Implement marketing strategies.
- Plan results evaluation
- To reduce production of harmful goods or by-products.
- To modify consumer and industry’s use and/or consumption of harmful goods; or
- To ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Findings of the Study

The following are the major findings of the study:

- Of late, consumers have more conscious towards eco-friendly products.
- Companies which can establish themselves with green image have distinctive advantage in the market place.
- Companies which sell green products are able to sustain for a longer period of time in the market in comparison to non green product seller.
- Sustainable development is feasible if all the companies start making green products.
- Green marketing has positive impact on sustainable development in India. This exploration into green marketing or eco-friendly marketing is a positive sign for transition from India to a greener and greater India and for its sustainable development.
- Consumer attitude towards green marketing and sustainable development is high. As far as sustainable development is concerned the consumers also strongly expressed that they are familiar with green brands and the concept of sustainable development.
- Consumers realize the importance of sustainable development which means that there is a positive sign for betterment of the environment as well as for business.

Suggestions of the Study

- Companies may know the pulse of customers before introducing green products.
- Corporates may adapt new technology to reduce environmental hazards.
- Government can bring new acts through parliament to save the environment, apart from strictly implementing existing laws.
- Consumers may also give more priority to purchase eco-friendly products.
- Awareness about importance of green products in protecting environment may be spread among consumers.

Conclusion

Green Marketing in India is still in its infancy and a lot of research is to be done on green marketing to explore its full potential. Marketers need to understand the implications of green marketing. Green marketing is a relatively quite recent phenomenon and it is growing awareness amongst consumers and businesses about minimizing the adverse impact on the environment. Environmental issues are given more importance these days. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigour, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics etc. in a safe and environmentally harmless matter should become much more systematized and universal. It has to become the general norm to use energy – efficient lamps and other electrical goods. Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. This paper helps to know the various practices made by companies for promoting green environment and also aims at transforming the consumers' minds and their perceptions towards the environment. In this scenario, many corporates have taken green marketing further as a part of their company strategy to create brand image and gain the attention of the consumers. More and more companies need to emerge and facilitate protection of the environment. In green marketing consumers may be willing to pay more to maintain a cleaner and greener environment.

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