

Green Marketing: The New Marketing Strategies for Sustainable Development of Business



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Abstract

The whole world has now become a single stage and we are now moving forward with a common Aim of protecting the environment and attaining suitable development. Though industrialisation and developmental activities have provided all comfort and luxury to human being, it has done so at the cost of our environment. The degradation of environment has raised many questions and has demanded urgent action or else our own survival will be at stake. Business is the prime area where green philosophy needs to be appreciated and implemented for providing stability to society and the environment alike. The responsibility of protecting the earth now lies in the hands of every individual and business. The green marketing philosophy is getting stronger among the masses, and this attitude of consumer has forced the business houses to rethink and plan their strategies to do their businesses in a more innovative and environmentally friendly in nature. Green marketing in India is very promising as everyone has started thinking about protecting the environment. Green marketing in India is still at a nascent stage and a lot need to be done. Strong participation of organisations in this regard will benefit greatly and help in coping with the environmental crisis that the societies have started facing in the recent times. With growing awareness among the consumers in near future only those companies will reap the greatest rewards that will innovate with new products, materials, and technologies which are eco-centric. The companies, while moving from traditional marketing to green marketing will come across many challenges, but then sustainable development and protection of environment are more important than more profit making that had been guiding business so far. This paper attempted to review green Marketing in Indian context and covered a comprehensive review of literature through some examples. The purpose of this research review paper is to consider proper strategy to implement green marketing concept in India by leading companies. For making this paper effective, researcher use secondary data and available sources as a data for Research Methodology. Tentative Research finding May support to researcher to draw/make strategy to implement green marketing process in India and Save environment.

Keywords: Green Marketing, Environment, Opportunities, Sustainable Development, Degradation.

Introduction

Green marketing has been defined in many ways since the term first originated in 1970s and took its actual journey in the late 1980s. Green marketing is a golden goose. According to Mr. J , Polonsky ,green marketing may be defined as , All the activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occurs with minimal detrimental input on the national environment.

Green marketing involves developing and promoting products and services that satisfy customers wants and need for quality, performance, Affordable pricing and convenience without having a detrimental input on the environment.

Green Marketing means study of the positive and negative aspect of marketing activities on pollution, energy depletion and non energy resource depletion.

“Green Marketing or environmental marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants ,such that the satisfaction of these needs

and wants occurs, with minimal detrimental impact on the natural environment.”

The attitude of concern for the environment by corporate has gained importance over the last few years. In the initial stages, concern for the environment was considered as an unfriendly approach and the corporate showed huge reluctance for the acceptance of the environmental issues as a key to the decision making processes. This approach changed in the late 1980s. After the earth summit (1992), various corporate began to embrace the philosophy of eco-friendly and sustainable development into their businesses. Therefore the concept of green marketing and sustainability gained more and more importance.

Most of the studies related to green marketing have been conducted in developed countries. It is to be mentioned here that when considered from a developing country's context, there is a lack in the number of such studies. Hence, the present study deals with objective of study, evolution of green marketing, need and importance of green marketing and to identify the initiative that have been undertaken by various major organisation in different sectors of the Indian economy.

Objective of Study

Green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, packaging change as well as modifying advertisement. Main stress is on “Less environmentally harmful” rather than “environmentally friendly”. There are two basic objective selected by researcher to study green marketing.

1. To know which company implemented green marketing.
2. To study the problem company may face in adopting green marketing.

Evolution of Green Marketing

The term green marketing came into existence in the late 1980s and early 1990. The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as ecological Green Marketing, in this phase all marketing activities were concerned to help environmental problems and provide remedies for environmental problems. Second phase was “environmental” green marketing and the focus shifted to clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was “Sustainable” green marketing. It came into prominence in the late 1990s and early 2000.

Necessity of Green Marketing

As resources are limited and human wants are unlimited, it is important for the marketers to utilise the resources efficiently without waste as well as to achieve the objectives of organisation. So green marketing strategy is inevitable. There is growing interest among the consumer all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which

speaks for growing market for sustainable and socially responsible products and services.

Every recycled ton of papers saves approximately 17 trees, which are then available for other uses. Recycling paper also reduces the air and water pollution due to paper manufacturing. The question of why green marketing has increased its importance is quite simple and relies on the basic definition of economics “Economics is the study of how people use their limited resources to try to satisfy unlimited wants”

Organisation perceives environmental marketing to be an opportunity that can be used to achieve its objectives. Business organisation believe they have a moral obligation to be more socially responsible, governmental bodies are forcing firms to become more responsible, competitor's environmental activities pressure firms to change their environmental marketing activities, cost factors associated with waste disposal, or reduction in material usage forces firms to modify their behaviour.

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Companies that develop new and improved products and services with environmental inputs in mind gives themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

Green Marketing as a Corporate Strategy

Environmental issues all around the world have raised an alarm. The growing concern for the environment by every individual has opened a new road for business to move on. Businesses are now watching green marketing as a part of corporate strategy all over the world.

The concern for the environment by the consumer, whether individual or industrial, is gaining importance these days. The end user of products, that is, the consumer has attracted attention of business people to orient their business towards going green. The question now is; are the companies or the industries watching this change in the consumer as an opportunity for themselves? Or is it that the companies now realize that they too bear some responsibility towards the environment to protect it and exploit it for their gain to the lowest possible extent? It can be taken both ways. In fact, the companies now find several advantages in going green and as such; green marketing has become an important tool in managing business of companies and their objective more easily.

There are basic five strategy of green marketing (Ottman, 2008)

Know Your Customer

In order to sell a Green product, a company should make the customer aware and concerned about the environmental issues that the product addresses.

Empower the Customer

It is described that the marketers must make the customers feel that they will make a difference by using their products.

To be Transparent

Marketers must make the consumer believe in their claims.

Reassure the Buyers

Consumer must believe that the green products offered will also work as well as the non green alternatives.

Consider You're Pricing

Consumers must be made worth to afford the premiums being offered to them.

The Green Marketing Mix

The concept of green marketing mix was first introduced by Bradley. Green marketing is an important tool which the marketers have been using for environmental sustainability. However, it has been emphasized that the green marketing mix needs to study in much depth. Green marketing comprises of the following;

Green Products

The products that are manufactured through green technology and that cause no environmental hazards are called green products. Green products are recyclable materials, save energy and water, reduce wastage and have minimal packaging and emits less toxic substances. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. there are six ways to make the product green

1. **Repaired-** Product's life should be extended by repairing
2. **Reused-** Product must be as such it can be reused
3. **Recycled** – Product should be as such that it can be converted into recyclable raw materials
4. **Reconditioned**– Product's life should be extended by overhauling it.
5. **Reduced** – The products must deliver adequate benefits even by using less raw materials or by generating less disposable waste.
6. **Remanufactured** – The product should be such that it can be remanufactured.

Green Price

Price is 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 taste. Green marketing should take all these facts into consideration while charging a premium price.

Green Place

Green place implies managing the logistics in a way that minimizes the emission on transportation. The choice of where and when to make a product available has a significant impact on the customer's attitude towards adoption of that products. Srikanth and Raju (2012) stated that marketers, while introducing their green products, should position the products in the marketplace in such a manner that the product appeal to the masses and not just to the small green niche market.

Companies must emphasize that their distributors and supplier are environmentally clean.

Green Promotion

There are three types of green advertising:- Ads that addresses a relationship between a product/service and the biophysical environment, those that promote a green lifestyle by highlighting a product or service, Ads that present a corporate image of environmental responsibility. Toyota is trying to push gas /electric hybrid technology into much of its product line. Largest R&D investment –Hydrogen car

Some Cases of Companies who Initiates Green Marketing Policy

Mc Donald's restaurant's napkin, bags are made of recycled paper. McDonalds replaced clamshell packaging with waxed paper, because of polystyrene production and ozone layer depletion.

Xerox introduced a high quality recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

Body shop heavily promotes the fact that they are environmentally responsible. While this behaviour is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products.

Walt Disney world has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

Coca-Cola has invested large sum of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. Coca cola pumped syrup directly from tank instead of plastic which saved 68 million pound /year.

Badarpur Thermal power station of NTPC in Delhi is devising ways to utilize coal –ash that has been source of air and water pollution.

Researcher tries to show the green initiatives taken by Different-different sectors in India-

Oil and Energy Sector

1. **ONGC**– ONGC, an Indian multinational oil and gas company, is public sector undertaking (PSU) of the govt. of India. Although ONGC operates in a sector which is highly polluting, its environment friendly initiatives were ranked at the 386th 9out of 500) position in the Newsweek Green Ranking in 2012. ONGC selected as a majors in green marketing at world level. ONGC follows the guideline of corporate on sustainability for central public sector enterprises issued by the department of public enterprises. The main objective of this guideline is to make significant contribution to the socioeconomic growth of the country and for the protection of environment. At the corporate level, ONGC has a team for "carbon management and sustainability Group". For managing sustainable development project s. ONGC periodically reviews its sustainability policies for attaining its sustainability goals. It works on sustainable management of water, material and energy, and addressing climate change through carbon management. It works towards management of waste & energy

- management and biodiversity conservation (ONGC sustainability report 2012-2013).
2. **ONGC's Initiatives for Energy**– efficient green crematoriums are all set to replace the traditional wooden pyres across the country. It is expected that besides saving time for burning, such efforts will approximately save 70% of the wood. ONGC's green projects contribute to increased environmental awareness among local communities, thus contributing even more to its corporate social responsibility criteria.
 3. **Suzlon Energy Ltd**- Suzlon energy Ltd, the world's fourth largest wind –turbine maker, is adjudged among the Greenest and best companies in India. TulsiTanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run it entirely on wind power. Understanding the severe threat of climate change, Suzlon Energy Ltd is committed towards protecting the planet earth by offering a solution through innovative energy usage and competitive green solution. Suzlon foundation has identified the environment as one of the key areas of activity. Through the soil and water conservation projects, the foundation has been able to improve over 3,000 hectares of barren land in Maharashtra, Madhya Pradesh and other areas in and around SuZLON 's wind farm ,besides harvesting 30,00,000 cubic meters of rain water and positively impacting the environment of the region. Watershed planning, plantation, participatory natural resources management in drought affected areas, pond –desiltation, watershed planning, construction of Bio –Gas Plants, soil water conservation are the environmental friendly projects of the company across India.

Transportation Sector

1. **Tripura Natural Gas Co. Ltd (TNGCL)**- Tripura national Gas Co. Ltd was committed towards making Tripura 's capital agartala as India's first green city by 2015 . In its joint venture of Gas Authority of India Ltd. (GAIL) and the Tripura and Assam govt, TNGCL is all ready to make CNG available for all public and private vehicles in agartalla, and also CNG would soon be replacing electricity, petrol, and diesel that find its use in various machineries.
2. **National Delhi Transport Corporation (NDTC)**- Introduction of CNG in private and public vehicles in New Delhi from the growing vehicular pollution was an attempt towards protecting the environment and the society. DTC is the first transport in the country to have inducted the CNG buses in its city Fleet. Not only that, having replaced its entire city fleet with CNG buses, then corporation is the world's largest eco –friendly CNG fleet operator and thus takes pride in its action contribution towards cleaning up the environment of the city. The corporation also operates interstate services with diesel buses. These buses too are made to undergo stringent pollution checks after regular intervals. The corporation has full fledged pollution control cell, which is entirely dedicated to ensure that its

buses plying on the road do not emit pollution. The buses found emitting smoke are immediately withdrawn from the roads and are put back only after necessary rectification.

3. **CSIR–CMERI Solar Electric Rickshaw (SOLECKSHAW)**- CSIR –CMERI, with its new technology, has provided a green solution to the urban transport system. SOLECKSHAW is an eco-friendly tricycle. It is driven partly by pedal and partly by electric power supplied by a battery that is charged by solar energy.
4. **Delhi Metro Rail Corporation**– DMRC's e-rickshaw campaign is another step of greening the transport system and thereby protecting the environment. DMRC has become the first rail projects in the world to earn carbon credits by using regenerative braking system in its rolling stock which reduces the electricity consumption by 30%. As an initiatives towards clean energy, DMRC planned to install a rooftop solar power plant at Dwarka, sector 21 Metro station.

Manufacturing Sector –

1. **Larsen and Toubro (L&T)**– The L&T has attempted to reduce the wastage of water to zero level by reusing waste water for Gardening ,lavatory facilities ,fire hydrant and cooling towards applications, thus reducing its water consumption by 10% since the last three years. L&T's green initiatives have received global recognition. In the Green ranking by a reputed news magazine "News Week" L&T was placed fourth in the industrial goods category worldwide in the year 2012.
2. **Tamil Nadu Newsprint & Paper Limited (TNPL)**– TNPL With its two clean development Mechanism projects and wind farm projects has taken initiatives towards green movements. TNPL was awarded the Green business leadership Award in the pulp and paper sector during 2009-2010 as per Green Business survey.
3. **Kansai Nerolac**- Kansai Nerolac paints (KNP) has been contributing positively to the society by targeting social and cultural issues, maintaining a humanitarian approach, focusing on areas in and around their factories and areas of operations. Kasai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metal like lead, mercury, chromimum arsenic and antimony can have adverse effects on humans.

The Future of Green Marketing Strategy in India

The future of green marketing in India is very promising as everyone has started thinking about protecting the environment. Green marketing in India is still at a nascent stage, and a lot needs to be done. Strong participation of organisations in this regards will benefit greatly and help in coping with the environmental crisis that the societies have started facing in the recent times. With growing awareness among the consumers, in the near future, only those companies will reap the greatest rewards that will innovate with new products, materials and technologies which are eco-centric. The companies, while moving from traditional marketing to green marketing, will come across many challenges, but then, sustainable development and protection of the

environment are more important than mere profit making, that had been guiding business so far.

Limitation of Study

The present study is completely based on secondary data. Hence, a study can be conducted, which can generate primary data from various sectors of the Indian economy to get a picture of the actual status of the initiatives that have been undertaken. Besides, this study can be extended by future researchers by conducting a comparative analysis about the sectors that are better performers in the green initiatives. Furthermore, an empirical study can be undertaken to understand the factors behind the adoption of green marketing and green products by the Indian firms and the Indian consumers, respectively. A more rigorous study is needed to examine the awareness level of environmental issues adopted by the firm.

Conclusion

This paper provides information on green marketing initiatives taken up by organisations in different sectors of India. This study would help managers to gain insight into identifying the best practices that can be adopted for their organisation. This paper also provides insights about the green marketing mix that can help marketers to adopt a proper blend of green mix for their products through proper pricing and promotional strategies. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If marketers think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. Marketers must find an opportunity to enhance their product's performance and strengthen their customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Main

problems are lack of consumer awareness, limited scientific knowledge, financial constraints, deceptive marketing and lack of stringent legal standards. It is seen that green marketing ensures sustainable long term growth, profitability, saves money in the long run, helps marketing of products, keeping the environment –concern in mind, and helps in breaking through newer markets and enjoying competitive advantage, and so it needs a lot of patience and perseverance, and should be used properly. The tool for protecting the environment in the form of green marketing is with us, and now, it depends upon us how judiciously we use it.

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