Green Marketing Initiatives by Corporate Sector - A Study in Indian Context

Amit Jain                                  Jitendra Kumar                    Gajendra Singh                            Chhaya

In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Environmental pollution is a buzz word in today’s business environment. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research article, concept, need and importance of green marketing are discussed. Multiple evidences are collected from multiple sources to understand the importance of green marketing. The various examples of Indian companies are discussed. The objective of this paper is to examine the need and significance of green marketing and also to evaluate the initiatives taken by the Indian companies and concern for green marketing in their core business values.

KEYWORDS: Green Marketing, Strategy, Customers

Introduction

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is "Green Marketing".

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing.

The first wave of Green Marketing occurred in the 1980s. Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact.

In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need", this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity.

Two tangible milestones for wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

In the years after 2000 a second wave of Green marketing emerged. By now CSR and the Triple Bottom Line (TBL) were widespread. Such publications as a 2005 United Nations Report, then in 2006 a book by Al Gore and the UK Stern Report brought scientific-environmental arguments to a wide public in an easy to understand way.

Benefits of Green Marketing

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

Adoption of Green Marketing

There are basically five reasons for which a marketer should go for the adoption of green marketing. They are -

- Opportunities or competitive advantage
Corporate social responsibilities (CSR)

- Government pressure
- Competitive pressure
- Cost or profit issues

Green Marketing : Evidences from India

Many analysts are predicting that 2011 will be a make-or-break-it year for many green businesses as increasing competition in the green sector drives some businesses to new heights of innovation and service while other businesses lag behind. Trends may come and go, and of course, it is impossible for any green business to stay on top of all of them, nor is it worthwhile to try. However, keeping track of green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities, the surest way to green business success in 2011 and beyond.

Consumers

As per research, India is the only country to choose deforestation and air pollution as the most important green issue. India is the only country in which more consumers say it should be developing countries that should focus on green innovation versus developed countries. The results of the recently released 2011 edition of the Global Image Power green Brands Survey show that concern about the environment by the consumers, is translating into a willingness to pay for a premium for green products. 64% of Indian consumers indicate that they plan to spend more on green products next year. Furthermore consistent with emerging countries, Indians are willing to pay a green premium price, with 48% of Indians willing to spend 10% more on a product simply because it is green. Consumers in India are trusting of green advertising compared to other countries, with 86% of Indian consumers reporting that advertising about green products help them in making choices. In India 28% of consumers intend to purchase auto in the next year as compared to purchase of 16% in last year.

Producers

AMUL has been rated as the Top Indian Green Brand by Global Green Brands survey. The International Dairy federation has also awarded AMUL Green movement as the best Environment Initiative in the —Sustainability Category in 2010.It also has been awarded Srisht’s good green Governance award for four consecutive years since 2011.

The 2011, top 10 Green Brands in India are:
1. AMUL
2. Dabur India ltd.
3. Infosys
4. Taj Hotels
5. Britannia Industries ltd.
6. Suzlon India
7. Hindustan Unilever Ltd.
8. Wipro technologies Ltd.
10. Godrej Consumer Products

The findings emphasize that today situation being both green and consumer friendly is the only mantra for long term success.

Government

The Indian government has also done its mite in promoting green marketing and eco friendliness by way of banning plastic bags from daily use, helping its automotive industry to develop greener vehicles by supporting hybrid and electric vehicles (EVs), by investing in greener cars the Government of India is capitalizing on an underutilized segment and building an infrastructure that
will generate economic growth and reduce emissions. The government took the initiative of promoting green buildings construction, usage of alternate sources of energy by companies. Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers by reducing production of harmful goods or by products, Modify consumer and industry's use and /or consumption of harmful goods; or, Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

**Philips Light's CFL**

Philips Lighting's first shot at marketing a standalone compact fluorescent light (CFL) bulb was Earth Light, at $15 each versus 75 cents for incandescent bulbs. The product had difficulty climbing out of its deep green niche. The company re-launched the product as "Marathon," underscoring its new "super long life" positioning and promise of saving $26 in energy costs over its five-year lifetime.

Finally, with the U.S. EPA's Energy Star label to add credibility as well as new sensitivity to rising utility costs and electricity shortages, sales climbed 12 percent in an otherwise flat market.

**Electronics sector - Example from HP**

The consumer electronics sector provides room for using green marketing to attract new customers. One example of this is HP's promise to cut its global energy use 20 percent by the year 2010. To accomplish this reduction below 2005 levels, The Hewlett-Packard Company announced plans to deliver energy-efficient products and services and institute energy-efficient operating practices in its facilities worldwide.

**GREEN MARKETING- CHALLENGES**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while Implementing Green marketing. The major challenges to Green marketing which have to be faced are:

**New Concept** - Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort

**Cost Factor** - Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.

**Convincing customers** - The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Eco-labeling schemes offer its —approval to —environmentally less harmless products. In fact the first eco-label program was initiated by Germany in 1978. Sometimes the customers may also not be willing to pay the extra price for the products.

**Conclusion**

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If we think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. We must find an opportunity to enhance our product's performance and strengthen your customer's loyalty and command a higher price.

So, if today's successful marketing is about appealing to personal values and delivering consumer empowerment, then surely the time is right to inject sustainable development into the marketing mix to help address some of the gritty issues currently facing our planet. Green marketing methods produce highly effective results. They apply all of the steps you need to cut costs, raise response rates and increase growth in the most important marketing metric we are all held accountable for—the bottom line.
REFERENCES:


