

Can Green be the Magical Word for Corporate?

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Abstract—In 21st century of Globalized Economy, Environmental concerns have continually affected the way we think, purchase and live which has gained never so felt prominence in corporate as well as in civic life throughout the world that it could not be ignored. At the Global level, consumers are increasingly becoming more anxious about the ecological issues, which encouraged corporate and has compelled them to respond with 'environmentally' responsive goods and services. It should be noted that on the era of Green Marketing, one and all stakeholder should take part in this process of Going Green as a social accountability. This paper attempts to study the conception of green marketing with prospects and challenges, as well as observe the initiatives / creativities taken in the Indian context. The application of green marketing through 4P's has been intensely discussed with the help of examples. The proposals with respects to application of "Green" concepts in production and distribution of goods and services in Indian context are provided in the concluding section. The argument tells that green marketing is gaining significance in India for various issues concerning sustainable development.

1. INTRODUCTION

“Earth provides enough to satisfy every man's needs, but not every man's greed.”

—Mahatma Gandhi

It's the duty of all stakeholders to protect the natural environment from the time when the economic activities directly depend upon the natural resources and the environment. The former decades have witnessed large-scale industrialization that resulted in rapid economic growth and increasing consumption all over the world which resulted into deterioration of the environment due to exploitation of the natural resources due to fast paced industrialization and commercialization which also causes pollution, global warming, diversification, acid rain and so forth, which has a negative impact on human health and welfare.

40% of the environmental degradation has been brought about by the consumption activities of the private households [1]. The improper management of resources and the populace explosion is the major reason behind the eco system.

The significance of the ecological environment is considering by the global consumer who started showing concern for environmental protection through avoiding the products that are detrimental to ecology. It's a time to take utmost care to

protect both renewable and non-renewable sources of energy by us.

Eco-friendly consumption called "Green Consumerism" has been created through the concern of environmental protection which elevated due to responsiveness of the destruction of natural resources [2].

The requirement of awareness towards green marketing not only from consumers but also from the manufacturers is desirable in current era of marketing. Eventually, green marketing requires extra cost, but the stakeholders should be ready to bear that cost [3].

As a part of mission statement, corporate firms have also started responding to environmental challenges by adopting and practicing Green/Ecological/Environmental Marketing Strategies and developing environment friendly products in response to the growing environmental consciousness of consumers.

Green Marketing is all about to create the impression in the mind of the customer that the product is really Green! It comprehends following tactics to *Going Green*:

- Product modification to have a sustainable environment as well as make changes in the production process to have healthier quality productivity with less wastes,
- Using recyclable non-toxic contents to create product which are recyclable, reusable and biodegradable [4],
- Packing changes of the product to have better environment conformance
- Advertising strategy to sum above all

The corporate houses perceived green marketing as an opportunity to achieve their vision but it's an issue to develop the process of manufacturing and selling goods & services with the least threat to the environment. All the sectors of economy are enclosed in green marketing philosophy through contribution towards ecological imbalance in the process of distribution of goods and services.

However, some literature on environmental marketing does exist with divergent perspective but one of the problem with

the green marketing in India is that there has been little attempt to academically examine towards the same [5].

This paper attempts

- To introduce the terms and concepts of Green Marketing
- To discuss & examine some of the reason *why Going Green is important?*
- To mention some of the Challenges with Green Marketing
- To examine concept of the Green Marketing mix

By examining the various opportunities and challenges related to "Go Green" in the Indian context, the paper suggests the measures to increase the practice of green marketing.

2. GREEN MARKETING

In an informative economic era in the late 1980's and early 1990's, the terms like "Green Marketing", "Ecological Marketing" and "Environmental Marketing" are getting popular.

In 1975, the American Marketing Association (AMA) conducted a workshop on "Ecological marketing" states "Green marketing is the marketing of products that are presumed to be environmentally safe" [6]. It also defines green marketing as the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion [7 - 8].

This early definition has three key components [9]

- It is a subset of the overall marketing activity;
- It examines both the positive and negative activities; and
- A narrow range of environmental issues are examined.

Green marketing consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs and wants such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment [10]

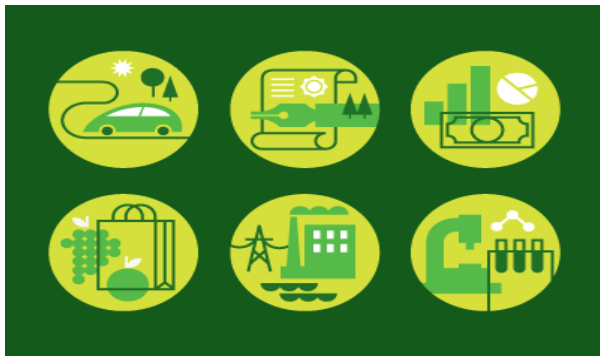


Image 1: Green marketing

Environmental marketing or Sustainable marketing refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment [11 - 12]

The concept of Green marketing considers consumer's concerns with regards to preservation and conservation of natural environment [13]. It includes a whole set of ideas, methods and processes for realizing marketing goals of enterprise [14].

Green marketing is the holistic management process responsible for identifying, anticipating and satisfying the needs of customers and society in a profitable and sustainable way [15 - 16]. In this regards, Green marketing accepts a wide range of back and front-end activities in marketing of goods and services.

3. GREEN MARKETING IN INDIAN CONTEXT

India, the home of the GOD, where Indians have considered Land (*Prithvi*), Nature (*Prakriti*), Air (*Vayu*), Fire (*Agni*) and Water (*Jal*) as the elements of nature and have been sacred for them. Human, Financial, Manufactured and Natural are four kinds of capital is recognized by Economic theory of *Atharv Veda*.

Eco-system services are the equivalent to "natural capital" [17]. Some benefits to people like food, water, timber, cultural values etc are outcomes sought through ecosystem management, which are referred as Natural Capital [18].

In India, rapidly emerging of environmentalism as a worldwide phenomenon the business firms also have grown to the juncture and have started replying to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism [19] and making business firms green marketing oriented [20] and supports the growth of green marketing which has given opportunity to companies to co-brand their product and services into separate line, lauding the green-friendliness of some initiatives through which businesses have increased their rate of targeting consumers who are interested in integrating environmental issues into their purchasing decisions [21].

4. WHY GOING GREEN IS IMPORTANT?

Green Marketing has been adopted by the firms worldwide for the following possible reasons as it creates a 'win-win' situation or growth prospect:

Growth Opportunity: Many firms implement green marketing through making modifications within perspective insight, implementation and demand of consumer as a prospect to exploit and have a competitive advantage over others.

Pressure of Government Legislation: Government wants to protect consumer and society from all marketing related activity that has made significant Green Marketing implications. Implementation of clean technology or environment friendly practices by an organization will help it to meet the legal framework of environmental protection without forceful implementation. EG. *State Government and Supreme Court of India have banned the use of plastic bags/sachets of Gutka and Pan Masala.*

Subsidies from Government: Industrial organization will get subvention by the Government for implementing green & clean technology and more of that provide subsidy to consumers for green purchasing.

Competitive Pressure: When competitors promoting their environmental behavior as well as emulate the same, to maintain own competitive position, the firm has caused to modify & reduce its detrimental environment behavior. EG. *H. J. Heinz Company is one of the Tuna Manufacturers stopped using Driftnets and modified its fishing technique, which helps to protect dolphins, other competitors followed suit.*

Competitive Advantages: To gain competitive advantage, environmental technology can be used by a firm [22]. Through offering products and services that are able to meet the needs and wants of consumers along with environmental benefits, that will create a point of distinction in the mind of consumer, which lead them to go for that particular products and services.

Increase Consumer base: Nowadays, most of the consumers are conscious and are concerned about issues related to ecology [23] and are keen to pay for eco-friendly products [24]. So, as an opportunity, increasing customer base will be benefited to customers in terms of reduced price and firms will be benefited in terms of revenue and target market share.

Social Responsibility: Green Marketing may be treated as a means of CSR [25] through using the fact that the firm is environmentally responsible, which will help it to achieve Primary (Economic) and Secondary (Social) objectives [26]. Environmental issues being integrated into the firm's corporate culture as well as it is members of the wider community therefore must behave in an environmentally responsible fashion.

Cost Reduction: Reduction of harmful waste from manufacturing processes will cut down the cost of the final product that will lead to cost reduction for the organization. Some companies have developed a symbolic relationship in which waste/by-products of one company are used as raw material by another company, otherwise disposing of waste has become a great environmental and health issue. EG. *In the past, fly ash produced from coal combustion was dispersed into the atmosphere, which created environmental, and health issue, but now, it is used as raw material for the cement and brick industries as well as by the infrastructure and construction industry also.*

5. CHALLENGES IN GREEN MARKETING

Implementation of Green Marketing may pose some challenges for an organization are as follows:

New Concept: In India, the merits of green products are more known by literate and urban consumer. It is still a new concept for masses. The consumer needs to be educated and made aware of the environmental threats [27]. The Going Green concept need to reach the masses and that will consume a lot of time and effort.

Need for Standardization: Only 5% of the marketing messages from green campaigns are entirely true and there is a lack of standardization to authenticate these claims [28]. In absence of standardization to certify a product as organic, how the product-packaging-process is eco-friendly is hurdles to marketers. The consumers are aware about green offers, so before paying any premium for green products and services, they will look for authentication. False claims will lead negative perceptions about the organizations and its green practices. A standard quality control board needs to be in place for such labeling and licensing. EG. *Energy Star for electronic products.*

Patience and Perseverance: Green Marketing by the business class is still in the selfish anthropological viewpoint of long term sustainable business and to please the consumer and obtain the license by the governing body [29]. The investors and corporate need to view the environmental marketing as a major long-term investment opportunity. It will require a lot of patience and no immediate results, as well as it is a new conceptual idea, it will have its own acceptance period [30].

Green Myopia: The first rule of green marketing is to focus on the benefits of customer. It is not going to help the corporate if its product does not pass the customer satisfaction criteria although it is absolutely green [31]. This will lead to Green Myopia.

High Initial Cost: As the adoption cost of Green Marketing is very high at the initial level, most of SSI's try to escape from adopting it as their concern for short run profits. The adoption of Green Marketing may not be easy in the short run but in the long run, it will definitely have a positive impact on the firm [32].

Price Sensitive Customers: Price is one of the important attributes for which consumers are concerned while purchasing the products [33]. As the Indian market is price sensitive, so most of the consumers may not be willing to pay extra, and those who are willing to pay extra are mostly up to a limit of 5-10% for green products [34].

Low Awareness among Corporate: In 1991, The Bureau of Indian Standards (BIS) introduced voluntary labeling scheme 'Eco-Mark' to certify the environment friendly products by the Ministry of Environment and Forest MOEF, Government of India. However, the industries did not respond to this

initiative, and only a few companies took licenses, as awareness among consumers about Eco-Mark is very low [35].

6. GREEN MARKETING MIX

Green Marketing is a response to the demand for ecologically sound products like recycled products, biodegradable products, energy efficient products etc.

The *marketing mix*, also known as the **four Ps of marketing**, is the combination of product, price, place (distribution), and promotion. Marketers develop strategies around these four areas in marketing to enhance branding, sales, and profitability [36]. The marketing mix forms the foundation for creating a sustainable marketing strategy.

Sustainability marketing, unlike traditional marketing, needs to adhere well to sustainability principles throughout the marketing mix. This helps to (1) strengthen the brand identity; (2) provide credibility; and (3) ensure honest, truthful communications and radical transparency with stakeholders, one of the cornerstones of good sustainability marketing principles [37].

No area in the process of marketing is free from the adaptation of the “Green” concept. The Marketing Mix is need to be given an environmental status. When companies come up with new innovations like ecofriendly products, they can access new markets, enhance their market shares, and increase profits [38].

Table 1: Green marketing - mix

| 4Ps of Marketing | Environmental Touch-up |
|--|---|
| PRODUCT E.G Natural & Organic Products Shoe company Nike | <ul style="list-style-type: none"> ▪ Product development depending on the needs of the customers who prefer environment / ecofriendly products ▪ Products can be made from recycled materials through non-renewable energy sources ▪ Efficient products not only save water, energy and money, but also reduce harmful effects on the environment... Waste is minimized ▪ The marketer's role in product management includes providing green product attributes such as energy saving, organic, green chemicals, local sourcing, etc. |
| PRICE E.G CFL / LED Bulbs | <ul style="list-style-type: none"> ▪ Consideration of the people, planet and profit is spread throughout the PLC ▪ Fixed on purchase power parity mode ▪ Price takes care of the health of employees and communities and ensures efficient productivity ▪ Consumers will pay additional value if there is a perception of extra product value which may be improved performance, function, design, visual appeal, or taste. Value can be added to it by changing its appearance, functionality and through customization, etc. |

| | |
|--|--|
| PLACE E.G Publications of Prentice Hall | <ul style="list-style-type: none"> ▪ Managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint ▪ The environment where a sale happens can have a big impact on the outcome. So make it more natural and eco-friendly, your chances of making an eco-sale will increase |
| PROMOTION E.G Reliance Fresh | <ul style="list-style-type: none"> ▪ It involves configuring the tools of promotion, by keeping people, planet and profits in mind ▪ Attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness ▪ Consumer awareness can be created by spreading the message among consumers about the benefits of environmental-friendly products ▪ Environmental responsibility and commitment should be a part of the Corporate culture and Mission statement |

Just as we have 4Ps product prices, place and promotion in marketing, we have 4ps in green marketing too, but they are a bit different [39]. They are buttressed by three additional Ps, namely people, planet and profits[40].

Ultimately green marketing requires that consumers “Think Green, Think clean, Think Ecofriendly” i.e. they want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution [28].

7. RECOMMENDATIONS

- Marketers and producer should develop their product and services according to the genuine need of the customers because merely producing the green product and services is not enough rather that must be well suited to the reality of customers need.
- The research and development expenses should be increased, as it will bring some new innovative and better ways to generate, communicate and deliver green product and services.
- Companies should start organized and unified campaigning to enhance the awareness about green marketing among customers, keeping factors like age, region, and income among others in perspective.
- Government should promote green concept of product and services and eventually should move towards green economy.
- Government should subsidize the green efforts, so that marketer could avail green product and services at reasonable prices.

- Organizations should introduce new ways of enhancing green efforts such as at the recruitment of new employee their green contribution should also be acknowledged with their academic qualification.
- Organizations should adapt green policies as long-term strategy because most of the green efforts took heavy initial cost but in long term, it is beneficial and cost effective to the organizations. It could easily be concluded here that much work and efforts are required on part of the government and industry for proper planning and implementation of green marketing. The attitude of the consumers towards better environment and subsequently their contribution in making the green marketing initiatives successful is of paramount importance. No amount of Endeavour vis-à-vis green marketing would be successful without their participation.

8. CONCLUSION

Now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution.

From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Green marketing assumes even more importance and relevance in developing countries.

In the present day, a majority of consumers have realized that their behavior had a direct impact on environment, as there is mounting amount of evidence indicating that consumers are shifting traditional products to green products to have a positive impact on the natural environment.

The research paper concludes that business firms need to change their mind set from traditional marketing strategies to green marketing strategies with a huge investment in technology, R&D and through Green marketing elements such as eco-design of a product, eco-labeling, eco-packaging, green logo in order to survive in the green competitive world and to have a positive impact on the environment.

More importantly, in this age of widespread communication customers of any product or service are unlikely to feel

satisfied in buying from a company that is seen to violate the expectations of ethical and socially responsible behavior.

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