



GREEN MARKETING PRACTICES IN INDIAN CONTEXT: AN EMERGING AND SUSTAINABILITY APPROACH

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Abstract

India being an emerging market needs to focus on its growing potential for sustainable development. The generation next consumer is aware, smart and realizes the need for an environmental safe product for his as well as his future generations. With the advancement of technology and high exposure to knowledge the consumers are increasingly moving towards the "Going Green" concept. This attitude is forcing the corporate to confront the ecological issues. Organisations are generally blamed for harming the environment due to the production processes producing wastage and disposal of wastage in different ways. Hence it becomes very important for them to take this initiative towards maintaining an ecological balance. Besides manufacturing, using environmental friendly ways and means or rather incorporating systems that promote minimal wastage in their processes as well as functioning is increasingly getting mandatory for the promotion of the "Green" Concept. Branding of products as "Green" need a strong positioning strategy which reflects a positive picture of the brand and delivers both emotional and functional benefits to its consumers. Issues related to green marketing are highly technical, complex and fast moving. Green consumer needs to be more aware and marketers need to develop strategies that allow their consumers to integrate green products into their lifestyles. The objective of this paper is to understand how Indian organizations are working towards integrating Indian consumers to incorporate a green attitude for a healthy lining and in turn for sustainable future.

Key Words: Green Marketing, Green Branding, Sustainable Development.

Introduction

Environment, Society and Economy are the three pillars of sustainability. For sustainable development it is of prime importance that all the three factors contribute in a combined manner being interdependent on each other. Hence, if any one of the factors do not contribute it will be difficult to obtain sustainable development." Green Marketing "is one concept which holistically contributes to the well being of all the three pillars of sustainability.

Evolution of Green Marketing

The concept of "Green Marketing" was first introduced in 1975 when the American Marketing Association (AMA) held a workshop on "Ecological Marketing. In 1987 the Burtland Report was documented which was prepared by the world commission which defined "sustainable Development" as meeting "the needs of the present without compromising the ability of future generations to meet their own need". Ken Peattie of U K & Jacquelyn Ottman of USA are considered to be pioneer authors on green marketing. Jacquelyn Ottman author of "The New rules of green Marketing: strategies, tools and Inspiration for sustainable branding" suggested that from organizational point of view, environmental considerations should be integrated into all aspects of marketing. According to Ken Peattie evolution of green marketing has three phases:

Phase I "Ecological" green marketing, during which all marketing activities were concerned to help environment problems and provide remedies for environmental problems.

Phase II, "Environmental" green marketing during which the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues.

III Phase, "Sustainable" green marketing which came into prominence in the late 1990s and early 2000 and was the result of the term sustainable development which is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

"Green marketing" unlike traditional marketing aims at associating environmental sustainability with their products which promote environmental core values to the consumer highlighting their products and brands. Thus the consumer using such brands associates himself as though by using such products he is contributing to the sustainable development of the environment. Companies have taken this opportunity to introduce new product lines as well as repackaging of their products and made an impact on the target consumers, being the ones who are concerned about the environment. Such target group is influenced by environmentally friendly products in their purchase decisions.



“Green marketing” is a broad concept which involves right from product development stage to the advertising of the product. It includes services as well which project the importance of saving the environment as a social responsibility. There has been an increasing awareness about the effects of pollution, waste management, global warming etc which has shifted the focus of both marketers and consumers towards green products and services. This shift is the preparation to move towards sustainable development.

Polonsky (1994) defines green marketing as .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.

Elkington (1994) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Traditional Vs Green Marketing

The traditional Marketing Mix consists of 4P’s Product, Price, Promotion and Place

- **Product** - . A product can be either a tangible good or an intangible service that fulfills a need or want of consumers.
- **Price** - . Price determines profit margins, supply, demand and marketing strategy. Pricing and elasticity influences the promotion of the product and place where its needs to be positioned.
- **Promotion** - Promotion includes elements like: advertising, public relations, social media marketing, email marketing, search engine marketing, video marketing and more. Promotions indicate the return on investment of the product and also differentiate the product and services.
- **Place** - The right product, at the right price, at the right place, at the right time. The ideal place is the one which converts potential clients into actual clients.

Green Marketing Mix

The 4 P’s of green marketing are similar to that of a traditional marketing but are perceived in a different manner.

- **Product:** The products have an ecological objective to utilize the resources to its optimum usage and increase conservation of scarce resources.
- **Price:** New age customer will be ready to pay a premium price for an exceptional value added product. Which can be in form of design, usage, function, looks, packaging or taste.
- **Promotion:** Highlighting the “Green” factor while promoting the product.Emphasising the relationship between the product and the environment. Picturing the Corporate Social responsibility of the company.
- **Place:** Identifying the target consumer who is conscious about buying green products and services and making it available to them.

Thus if we compare the two types of marketing we find that Green marketing not only includes the functional and emotional benefits of traditional marketing but also gives environmental benefits which will serve as a long term social cost benefit. The product development in green marketing emphasizes on the ecological compatibility of the product, raw-material, and packaging and re-uses vis-à-vis the traditional marketing concept of delivery and after sales services. It will not only help the consumer move towards buying environmental safe products but also force the suppliers to turn green, which will serve monetary as well as non-monetary benefit. In short traditional marketing omits the personal values or morality which plays a very important factor in green marketing. Green marketing sells the ideology to the consumer of using the “right product” than a “better product”.

Green Marketing Process

Green marketing process identifies the 7 external and 7 internal Ps which intergrate to generate green success bringing out 4Ss.The external 7 Ps consists of Paying customers, Providers, Politicians, Pressure groups, Problems, Predictions and Partners; internal 7Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. And 4 Ss consists of Satisfaction – of stakeholder needs, Safety – ofproducts and processes, Social acceptability –of the company and Sustainability – of its activities.

According to the Roper survey (2002) 58% of consumers try to save electricity At home, 46% recycle newspapers, 45% return bottles or cans and 23% buy products made from, or packaged in, recycled materials. Thus it is evident that the general consumer does understand the importance of going Green.



Going Green: Tata's New Mantra

The Tata group's strong belief on sustainability has made them develop a corporate policy that lays emphasis on preservation of the environment on a holistic basis. Their projects are based on repairing green cover, reducing effluents and emissions, maintain local ecologies and improving long term corporate sustainability.

TML (Tata metalinks) is one of the top green firms in India. They discourage working on Saturdays and lights are off during the day, with the office depending on sunlight. This has lowered the electricity bill by nearly 30 %, a reduction that caused other companies in Tata Centre to sit up and take notice.

They have taken an initiative to cover the area near the plant to about 35% so that the plants absorb carbon dioxide, give out oxygen and also helps suppress noise and reduce dust. TML depends entirely on ground water and their goal is to pump into the ground as much water as they draw from it. They want TML to become a completely water neutral operation. TML is also conscious about its usage of power. The company generates its own power, which implies an automatic upper limit on consumption. Part of the coke used as fuel inside TML's blast furnaces gets used in the chemical reaction. The other part, which comes out from the top of the furnace is called blast furnace gas. This is used to generate power, as it still has some latent heat and unspent fuel. The unspent fuel is used to generate power while the heat, about 600-700 kcal/Nm³, is recycled to remove moisture from coke or used as fuel in the boiler to reduce high-speed diesel consumption. Having generated as much power as required, the surplus gas will be used to supply heat energy to TMKPL. TML has also started monitoring its energy consumption and greenhouse gas emissions.

Other initiatives to protect the environment are: 1. Replacement of a petrol-operated motorbike used by employees for movement within the plant with an electric two-wheeler. 2. Use of video conferencing for communication between the company's sites at Kharagpur, Kolkata and Redi. 3. Installation of a solar heater in the canteen to reduce the consumption of fuel. 4. Promoting the use of email, CFL lamps, printing on both sides of the paper, etc. 5. TML has also adopted the use of natural fertilizer made with compost and vermiculture with the help of ladies of a local self-help group. 6. Construction of 16 houses in Kharagpur for its employees that have a unique environment friendly feature — they remain cool in summer and warm in winter.

Tata Chemicals

Sustainable development issues, as well as emerging stringent pollution control norms, encouraged Tata Chemicals to take on the challenge of finding a resolution to this environmental issue. The Company searched for the right technology partner and eventually tied up with The Energy Research Institute (TERI), New Delhi. TERI and Tata Chemicals made a combined effort to reclaim these alkaline and chloride rich sediments by planting the appropriate green cover on a pilot scale. The team tried to change the chemical composition of the sediment by adding precipitated gypsum (low pH) and organic manure.

Tata Motors

Tata Motors has converted its arid and rocky plant site land into beautiful surroundings making it the Lake District of Maharashtra. Under the supervision of the late chairman of Tata Motors, Sumant Moolgaokar, environmental targets and challenges were established as a necessary precondition for setting up the manufacturing plant. Tata Motors would:

- Create a perennial source of water to provide sustenance for a green cover and to encourage the growth and sustenance of flora and fauna.
- Plant trees, create a green cover, and ensure its survival notwithstanding expansion plans.
- Use the water bodies as part of the treatment for effluence generated from manufacturing, so that the water discharged outside the premises would be clean.
- Document the flora and fauna, and develop a database for further biodiversity and conservation.

Today 'sumant sarovar' named after the late chairman has six ponds and lakes are fed by rainwater and also by treated effluence of the factory. These lakes have become an extension of the effluent treatment plants (ETP), with the treated wastewater being retained by two ponds and two lakes, while allowing the excess to overflow from one water body to the next. As a result of this progressive biological oxidation, the quality of the treated effluence is far superior to the quality of the receiving water body into which it flows. The lake discharge is regularly monitored, and tests show the quality to be well below the permissible norms stipulated by the Maharashtra Pollution Control Board. Tata Motors takes great pains to ensure that this remains an almost 'zero direct-human-impact zone'. Access is prohibited except to the staff working on the project.

In recognition of the work done for conservation and rejuvenation here, Tata Motors, Pune, has been awarded the Bombay Natural History Society (BNHS) Green Governance Award 2006 in the Conservation and Restoration of Habitat category. Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights. They are also going to launch a low cost water purifier which is made of pure and natural ingredients.



Tata Power

The Tata Power Energy Club is driving a huge initiative to sensitize people and school children about the need for energy conservation.

Tata Tea

With its plantations in Munnar straddling a biodiversity hotspot rich in flora and fauna, environmental protection and regeneration have become a way of life at Tata Tea. The pesticides used in tea cultivation are registered under the Insecticides Act, 1968. Use of such registered pesticides prevents hazards to animals, human beings and the environment. In addition, the company has committed itself to using approved agrochemicals in order to minimize the impact on the environment. This affirms that none of its products and services has any significant adverse impact on the ecology of the region.

Thus we can see that the one of the oldest Business organizations of India is all set to contribute towards sustainability development has incorporated “being Green “as a way of life in its policy.

Green Initiatives by other Indian Organizations

State Bank of India: Green IT@SBI

Usage of eco friendly equipments in 10000 ATMs saving power costs. Entering into green service known as “Green Channel Counter”. Providing services paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. Harnessing wind energy to reduce emissions: The wind farm is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. Reduction of its carbon footprint and promotion of energy efficient processes, amongst clients.

Lead Free Paints from Kansai Nerolac

A committed and a responsible corporate working for the welfare and benefits of the society has taken an initiative on removing hazardous heavy metals from their paints, like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans like damaging the central nervous system, kidney and reproductive system. The most harmful effect being lead poisoning in children leading to lower intelligence levels and memory loss.

India's 1st Green Stadium: Thyagaraja Stadium

This stadium has been constructed as per the green building concept with eco-friendly materials ensuring energy conservation making it the first green stadium in the country.

Eco-friendly Rickshaws before CWG

Launching of “E-rick”, sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Commonwealth Games.

Wipro's Green Machines (In India Only)

Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

Phillips's "Marathon" CFL light bulb

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 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.

Broadcaster New Delhi Television Ltd, or NDTV, in partnership with car maker

Toyota Kirloskar Motor Pvt. Ltd launched *Greenathon* on 7 February—a 24-hour live television event to create awareness about environmental issues.

Reva Electric Car Co. developing a market for electric cars and thereby a sustainable business—firms are gearing up to bring about a change in the way their businesses and products are perceived.

Panasonic Corp. is working out a go-to-schools interactive campaign to spread awareness among students on global warming and other environmental issues, to begin with.



Nokia India Pvt. Ltd has launched a campaign to recycle electronic waste. Consumers are encouraged to dump old mobile phones and accessories, irrespective of brand, at any of the 1,300 green recycling bins at Nokia priority dealers and Nokia care centers.

Henkel India Ltd launched "eco-learn"—a learning initiative to inculcate environmental concern and sustainability.

Hindustan Unilever Ltd's, or HUL's, Surf Excel Quick Wash talked about how housewives could save two buckets of water while using premium detergent powder to wash clothes.

Reckitt Benckiser Group Plc. has launched a global campaign *Our Home Our Planet* to help consumers save money and minimize their carbon footprint as part of its Carbon 20 programme.

Amul rated Top Indian Green brand in the 2011 Green Brands Global Survey

Anand, Gujarat, India

Amul has been rated as the Top Indian Green Brand by the Global Green Brands Study which reveals current consumers' attitudes and perceptions towards green issues. The countries, where the poll was conducted, includes Australia, Brazil, China, France, Germany, the USA, the UK, and India, and the major brands and companies featured on the list are Starbucks (featured once—1), Microsoft (2), IKEA (3), Dove (3), Volkswagen (2), Apple (2), Unilever (1), Kimberly-Clark (1) and Nivea (1) to name but a few, with the first place in each chart being occupied by local brands such as Amul, Subway, Alnatura, Seventh Generation and others.

As per the research, India is the only country to chose deforestation and air pollution as the most important green issue. India is also the only country in which more consumers say it should be developing countries that should focus on green innovation versus developed countries. The International Dairy Federation has also awarded Amul Green movement as the Best Environment Initiative in the "Sustainability category" in 2010. It has also been awarded Srishti's Good Green Governance Award for four consecutive years since 2007.

ITC Limited

ITC was the first to introduce 'ozone-treated elemental chlorine free' bleaching technology for in India which resulted in an entire new range of top green products and solutions.

Tamil Nadu Newsprint and Papers Limited(TNPL) TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector and the best performer in the 2009-2010 Green Business Survey. The initiatives taken by them were green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions.

HCL Technologies

HCL technologies has taken an initiative to solve the problem of toxics and e-waste in electronics industry by phasing out hazardous vinyl plastic and Brominated Flame Retardants from its products. It has called for Restriction on Hazardous Substances (RoHS) legislation in India.

Oil and Natural Gas Company (ONGC)

ONGC's Mokshada Green Cremation initiative will replace the traditional wooden pyre and save 60 to 70% of wood as well as the burning time.

Hero Honda Motors

Hero Honda is one of the largest two-wheeler manufacturers with continuous innovation in green products and solutions.

McDonald's Green Revolution

McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion. McDonald's restaurant's napkins, bags are made of recycled paper.

Coca-Cola's Environmental Initiative

The Coca Cola Company maintain a large focus on the environmental impact of their products and use different methodologies and initiatives in order to reduce waste and sustain the environment.



IDEA

IDEA's, national Paper campaign 'Use Mobile, Save Paper' Organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendrill climbers to convey the green message.

Indian Railways

IRCTC has allowed its customers to carry PNR no.of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their ticket anymore.

Need for the corporate to go green

Corporate Social responsibility is a big concern for the firms to have a competitive advantage globally. Green consumerism is very high in other developed countries, hence both economic and non-economic pressures from global consumers, stakeholders and governments lay a lot of importance for strategic decisions. Governments have established several regulations to control the hazardous waste produced by firms and many by-products of production are controlled through the issuing of various environmental licenses, thus shaping the behavior of organization towards more socially responsible one. Also as a social responsibility one needs to make aware the consumers towards their contribution to the planet.

Green products are very profitable and cost effective in the long run .saving of energy, cost and resources will be call of the day in near future.

Benefits of green Marketing

1. Motivated and proud employees who feel responsible for working for an environmental aware company.
2. New target markets can be identified and companies can get a competitive advantage.
3. Though the initial cost is high it is profitable in the long run.Thus ensuring long term sustainable growth with profits.
4. Early mover advantage on the current consumers as eventually has to move towards green products.

Challenges

Though our degree of awareness is increasing we still need to propagate the importance of going green to the masses. We are a land where natural therapies are practiced for healthy living so there is a basic understanding of environmental benefits but people need to be more educated for the same.

Since it is a new concept, the wide acceptability will take time and so will the results in profitability, hence the firms promoting such products need to look at the long term perspective and find innovative methods of marketing.

Many times the green effect may not be green to the extent it has been advertised. Hence a bench mark has to be developed to qualify the green criterion. Such systems will lead to standardization of the product .also will prevent effects of "Green Myopia".Pricing should be such that people are willing and able to pay or they have to be convinced that the premium they are paying is justified.

Limitations

Renewable and recycled materials need a good technology, knowledge to use and a great extent of research which comes with a lot of cost. Hence affordability becomes a major limitation. When people are not aware of the uses and benefits of green products they may find it unreasonable to pay high for these products.

Key Rules of Green Marketing

Consumer Awareness is the key for the success of green product. The consumer should be well educated towards the purpose the product is serving and made to understand the contribution he or she is making to the environment by using that product. The green marketing campaign should be in sync with what the firms claim to sell and the policies as well as strategies should comply with the environmental credentials.Pricing of the green product should be affordable to pay. The value for money for the product should be evident and within pocket.

Target consumers should be roped into participation for designing of a green product. Thus providing a design which will appeal to the consumer and provide benefits that are perceived out of it.

Conclusion

Global warming is a threat to our future generations the effects o which we have already started feeling. Thus there is an inherent need to immediately divert our attention towards steps we can take to reduce effects of global warming and many



such environmental issues. Business Giants like Tata have understood this need already made their move to contribute towards it. Though there are limitations and challenges involved still the need for sustaining development is so strong that organizations cannot ignore or let go the “green effect” to be a part of their system. It is evident that in near future our business will require a lot of redesigning, re-engineering and innovation in order to be in sync with the growing environmental issues as well as the growing consumer base who are more environmentally aware. This will also involve participation of ethical, legal, economical and technological aspects for long term sustainability as a solution of which Green marketing and its promotion will be an indispensable part. With the growing economy we also need to take care of our resources and find out means and ways to preserve them. Going green will be the only option left in order for corporate to fit in globally. It is advisable that the firms start working on ways and means for becoming a “Green” company in terms of operations, production and marketing. India being a developing country has a lot of scope to prove itself as a green country. Hence it should develop green management as a norm and make a huge contribution towards sustainable development.

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