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Article in *Business and Economics Journal* · January 2015

DOI: 10.4172/2151-6219.1000192

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Industry Initiatives for Green Marketing in India

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Abstract

Today, Environment issues are seen everywhere in the world. These issues are very crucial i.e., global warming, waste disposal, climate change, and pollution etc. and influence our daily life. By this time many corporates are still hesitated to use green marketing practices even after government compulsion. The main reason for this is that firm still thinks that green marketing practice may increase their cost of production and reduce the profit. This article consists of some examples of the firms in india which are going green and fetching good amount of profit and customer satisfaction. Some golden rules are also given in the article for the companies going for green marketing. Some examples of the companies are also given in the article which is successful in reducing cost of production and improving the profit by green marketing like WIPRO, Infosys, Tata Metelik Limited, Maruti and Delhi CNG and Suzlon Energy. Green marketing is the marketing of goods and services that are presumed to be sold for environment. It involves an entire process of product manufacturing to supplying in market. Such as: raw material used in product, technology, packaging and distribution. It is also called ecological /sustainable/environmental marketing.

Keywords: Green Marketing; Initiatives for green marketing; Need of green marketing; Importance of green marketing

Introduction

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, change in packaging, as well as modifying advertising [1]. 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 [2]. Other similar terms used are Environmental Marketing and Ecological Marketing.

Evolution of green marketing

The first wave of Green Marketing came into picture in 1980s. Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben and 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 [3].

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 Kinnear [4] in the United Kingdom and by Jacquelyn Ottman [5] 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.

Objective

The objective of this paper is to examine the need, importance and problems of green marketing and also to evaluate the initiatives taken

by the Indian companies for green marketing in their core business values.

Importance 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 that are not concerned for the environment [6].

Some of the advantages of green marketing are as follows

1. It ensures sustained long-term growth along with profitability.
2. It saves money in the long run, although initial cost is more.
3. It helps the companies to market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
4. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
5. It promotes corporate social responsibility.

Reasons for Adopting Green Marketing

1. Opportunities available and competitive advantage.
2. Corporate social responsibility on the part of companies.
3. Government regulations.
4. Competition with other responsible companies.
5. Goodwill of the company.

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Received October 20, 2015; Accepted October 28, 2015; Published November 04, 2015

Citation: Neeraj Kumar S (2015) Industry Initiatives for Green Marketing in India. Bus Eco J 7: 192. doi:10.4172/2151-6219.1000192

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6. Environment conscious consumers.
7. For conserving scarce natural resources.

Green Marketing Mix

Every company has its own favorite marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner [7].

Product

The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources [8].

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

Promotion

There are three types of green advertising: -

- * Ads that address 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

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.

Challenges of Green Marketing Ahead

Problems of green marketing

Many organizations want to turn to green, as an increasing number of consumers' want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices [9-12].

Examples of green marketing in Indian companies

Wipro and Infosys: Wipro and Infosys's are going green Wipro launched desktops, laptops are known as Wipro green wares. It was the first company in India who developed eco-sustainability in the form of energy, water efficiency and waste management. Wipro are actively seeking to become a very green company. Wipro has taken various initiatives to be green and the main objective of this is to become a carbon natural, water positive and energy saving in business organization. Wipro designs products and solutions that can minimize hazardous waste [13]. For the purpose of enhancing ecological-sustainability, WIPRO is continuously offering green products.

Wipro has adopted a number of steps for ecological-sustainability at its corporate level also. Wipro wants to become fully carbon natural and to achieve zero carbon emission by balancing the carbon released by the firm with equaling quantity off set. Wipro, Infosys reduced it per capita consumption of electricity and procured renewable energy. In future, every new building on campus follows integrated design methods for the purpose maximize the day light and reduce heat [14]. It will construct energy efficient building, at present also, in Wipro 18 building are certified to the international green standard. It replaced order office equipment with new energy saving equipment. Wipro and Infosys also installed solar panel also in their campus. We know that solar power is 70% cheaper than power generated by diesel. Solar energy has no adverse impact on our surrounding also. Products manufactured by these firms are less harmful to environment.

Tata Metaliks Limited: This deals in mining and metal sector. It has given a green view to reduce its carbon foot prints. The objective of Tata Metaliks Limited is to increase the green cover through plantation, ground water, power generation and use of natural fertilizers etc. The major green initiatives of this company is related to water utilization. It depends entirely on the ground water or no municipal supply and it will perform a complete water neutral operations [15].

Suzlon Energy: Suzlon energy also going green. Suzlon is the world's 4th largest wind power company among the greenest and best company in India. It is a renewable company manufacturer and produce wind Turbines, now Suzlon 30% power of renewable energy in India. It meets the need of present without compromising the capacity of future generation to meet their needs. Its total revenue was \$ 4.18 billion in 2011 [16].

Electronics sector: 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 [17].

Introduction of CNG in Delhi: New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution [18].

Maruti Udyog Ltd: Greening of Supply Chain: The company has remained ahead of regulatory requirements in pursuit of environment protection and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly [19].

The company credited the 'Just-in-Time' philosophy adopted and internalized by the employees as the prime reason that helped to excel in this direction. The company has been promoting 3R since its inception. As a result the company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption. The company has implemented rain water harvesting to recharge the aquifers. Also, recyclable packing for bought out components is being actively promoted.

The company has been facilitating implementation of Environment Management System (EMS) at its suppliers' end. Regular training programs are conducted for all the suppliers on EMS. Surveys are conducted to assess the vendors who need more guidance. The systems and the environmental performance of suppliers are audited.

The green co-efficient of this system is much better than the conventional system.

Important rules of green marketing: Marketers should grow their green marketing plan. How they can create new opportunities for selling their products and face threats of competitors in market. The marketing firm should know its strong and weak point also. Make plan how firm can make its customer life better and how can differentiate its offering from competitors. The firm should provide assurance to customer that they are safe and environment should be kept in mind in all aspects from production to supply of products [20,21].

The firms should do the right thing and reassure customers that they are doing the right things, they are making a good quality of product and service by hard working and caring. Firm should consider people, profit and planet while taking marketing decisions. If firm wants to supply a green product to customers. First of all it needs to decide that the consumer is aware about the issues that product attempts to address. The product should have some value added benefits. The firms should make sure that customers feel delight when they use the particular product and is different from other alternative products exist in market. Firm should consider pricing policies also, if they are charging more pricing than competitor. Then make sure that product cost is more due to use of higher quality ingredients and economies of scale. Always continue efforts to some improvement over existing products and adopt new types of Eco-products do a great job of winning the trust of consumers, it means that the producer should not only concentrate on functional benefits but they should also think what they are making. Their products and services are green or not, if not then how they can make products green and whom they are working with. To capture advantage of opportunities that green marketing represents to engage customers on emotional level.

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 our customer's loyalty and command a higher price.

Nowadays, green marketing has become necessary to save the world from environment pollution. From the marketing point of view, a good marketer is not only satisfy the consumer needs but also produce and supply products according to the choice of the consumers But the business firm should know the benefits of selling green products [22]. Consumers also ready to pay more amount to maintain a greener and cleaner surroundings. Consumers are also aware about Initiatives Taken by Corporates about the attributes and use of products that's why they demand for green products. Making green products have to be achieved through out the complete supply chain. The firms should work constantly to find out the green material, methods of making green finished product which are commercially viable.

Suggested Solution

- a. Environmentally responsible organizations should attempt to minimize their waste
- b. Organization policy
- c. Employee Awareness Program

- d. Effective and transparent Communication
- e. Constantly Refine the Product and Processes

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Think of a refrigerator for example. While we may have had to be convinced in the 1950s to buy a refrigerator, we would have wanted the great white box to look cool in the 1970s, but in today's uncertain world, we might ask ourselves about the impact of the chlorofluorocarbons (CFCs) that our refrigerator is emitting and demand a more environment friendly refrigerator. 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.

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