

Green Marketing And Its Implementation In India: An Exploratory Research

Sk. Rubeena

*Assistant Professor, Department of Business Administration,
PACE Institute of technology & Sciences (Affiliated to JNTUK), Accredited by NAAC With 'A'
Grade, Vallur, Ongole,
Prakasam District, Andhra Pradesh
sk.8rubeena@gmail.com*

ABSTRACT: An era of rapid globalization and growing concern for environmental protection, green marketing is a global issue affecting every individual and industry in all the nations. Companies are constantly trying to find the best ways to reach the customers with their green message. Green Marketing is playing a significant role in developing and developed Nations across the World. These things pave a path to understand its significance in corporate World. The study has considered few selected companies in India as its sample namely HCL, LG India and Wipro Infotech for better describing the various initiatives introduced by them for promoting green marketing and tried to explain the reasons behind them. Case study approach is used by the study to explore different benefits they have been enjoying by the adoption of Green Marketing principles. The most interesting findings are that LG has established its USP in producing 40% less energy consuming than other conventional products. Further, it is observed that HCL has recently produced HCLME 40Notebooks that gave a reward from Bureau of Energy Efficiency, while Wipro Infotech has started developing eco-friendly computer peripherals too. As the paper focus on companies under IT Industry, it can further be extended to other Industries for better understanding of its benefits.

Keywords: Green Marketing, Green message, Case Study

I. INTRODUCTION

India is a place of aspiration of thousands of people which influence them to visit the natural and man-made wonders and know more about its cultures and values. This is one of the reasons which attract many tourists here. There are many beautiful places in India but we are directly or indirectly spoiling that. Marketing is now consumer oriented process where consumer is the king. The producers have to manufacture those products which the consumer demanded. The consumer demand is mostly depends on their need and the capability of paying for the products. But in this process, they neglect the environment in which they are living and the effect of their demand on the environment. Same concept lies on the producers' side. They start manufacturing the products having the high demand form consumers' side. Mostly the producers also neglect the effect of their manufacturing on the environment to cater more consumers at their acceptable price. Thus in this process we, the manufactures and the consumers, are responsible of the negative effect of environment. This is the reason why most of the developed countries have adopted green marketing and now a days, this concept is enthusiastically adopted by many developing countries.

First of all, environment and environmental problems, one of the reason why the green marketing emerged. According to American Marketing Association (AMA), 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 packaging as well as modifying advertizing. Hence, green marketing refers to holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment. Over the years, a majority of consumers have realized that their behavior had a direct impact on environment. There is a growing amount of evidence indicating that consumers are shifting traditional products to green products to have a positive impact on the natural environment.

Green Marketing as the development and marketing of products designed to minimize negative effects on the physical environment. Green Marketing as the study of all efforts to consume, produce, distribute, promote, package, and reclaim products in a manner that is sensitive or

responsive to ecological concerns. The inclusion of all efforts to consume recognizes that many entities are involved in green marketing. Green marketing is not limited to government or nongovernment organizations, nor is it solely an activity undertaken by consumers. Manufacturers, wholesalers, retailers, and services firms each has opportunities to contribute in the field of green marketing. This definition also identifies the need to consider the production, distribution, and reclamation of products as integrated components of the marketing effort. Efficiency at one stage of this process (e.g., distribution) may offer advantages in the channel, but the goal of green efforts is to limit the total ecological influence associated with consumption. Green Marketing must consider the promotional efforts employed to gain consumer support of ecologically friendly products.

Green 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 occurred with minimal detrimental impact on the natural environment.

Green marketing involves developing and promoting products and services that satisfy customers' wants and desires for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

II. LITERATURE REVIEW

Two aspects have been discussed by the paper under this section. One is based on its theoretical perspective and the other is on research perspective.

2.1 Theoretical Perspective of Green Marketing

This section covers the evolution, challenges, marketing mix and its strategies to be understood by all to initiate it in their organizations.

2.1.1 Evolution of Green Marketing

The term Green Marketing came into prominence in the late 1980s and early 1990s. The green marketing has evolved over this period of time. The evolution of green marketing had three phases [1].

- First phase was termed as "**Ecological**" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems.
- Second phase was "**Environmental**" green marketing and the focus shifted on 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. This 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."

2.1.2 Challenges in Green Marketing [2]

- Majority of the people are not aware of Green products and their uses.
- Green products require a recyclable and renewable materials or elements which are expensive.
- People are often perceived that green products are expensive compared to traditional products.
- Green Marketing depends on technology and requires a huge investment in Research and development.

2.1.3 Green Marketing Mix

Every company has its own favorite marketing mix [3]. 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.

Product

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

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.

2.1.4 Green Marketing Strategies

The marketing strategies for green marketing [3] include: -

- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implement marketing strategies
- Plan results evaluation

2.2 Research Perspective on Green Marketing

The literature has been reviewed from the previous reputed journals.

- According to the authors (Kilbourne, 1998) Discussed the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identified areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

- (Prothero, 1998) Introduced several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This included a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.
- (Prothero A. , 2000)Argued that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.
- (Oyewole, 2001)In his paper presented a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumer's awareness of environmental justice, and their willingness to bear the costs associated with it.
- (Karna, 2003)Interpreted that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.
- (Kaur, 2004)In their study of environmentalism which had fast emerged as a worldwide phenomenon discussed business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper made an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

- (Donaldson, 2005) In his study realized in the Great Britain that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.
- A. Ottoman, 2006 research explains that Green Marketing must satisfy two objectives: Improved Environmental Quality and Customer Satisfaction. Research indicates that many green products have failed because of green marketing myopia—marketers' myopic focus on their products—greenness over the broader expectations of consumers or other market players (such as regulators or activists).
- (Alsmadi, 2007) While investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products did not appear to have any effect on the final decision, obviously because these consumers had a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles were further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility.
- (Brahma, 2008) The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.
- (Thakur, 2009)—Customer awareness with reference to green marketing of automobiles an empirical research carried at Indore, Madhya Pradesh and concluded that green marketing of automobiles is attracting both from urban and rural people. This clearly indicates that people are shifting to the eco-friendly products to have a positive impact on the natural environment rather than traditional products.
- (Chavan, 2010)—Analyzing the feasibility of Green Marketing in Small & Medium Enterprises, an empirical study and the data was collected from 114 respondents in (Suburban Mumbai), the main purpose of their study was to find out whether the Small

& Medium Enterprises believed in implementing green culture practices in the manufacturing and marketing of green products.

- (Malhotra, 2011) Consumers are not committed to improve their environment on the cost of their pocket and lay the responsibility to the companies to produce eco-friendly products and on government as well. Consumers are puzzled about the real benefits of green products and thinking that the company might cheat them in the name of green products.
- (Verma, 2012) Explained the issues and problems of green marketing in India in his book –Green Marketing: Issues and Challenges and gave some solutions to tackle those challenges through some new rules of green marketing.
- (Supreet Kaur, 2014) Highlighted green marketing as a tool for protecting environment as it include eco-friendly products. Adopting green marketing is not easy short run but have a positive impact in long run. Firms have started to produce innovative energy efficient technology, non-toxic products etc.

With these inputs let us move towards the objectives of the study.

III. OBJECTIVES OF THE STUDY

The purpose of this study is to describe the various initiatives introduced by the Indian companies namely HCL, LG India and Wipro InfoTech for promoting Green Marketing along with the reasons behind these companies adopted this great Initiative.

IV. METHODOLOGY

The present study is exploratory in nature to provide a clear guidance for empirical research. For this purpose secondary data were collected. The secondary data were collected through magazines, books, journals, conference proceedings, Government reports and websites.

V. CASE STUDY ANALYSIS

Before understanding the implementation of green marketing by organizations, let us understand the reasons behind their implementation.

Why are firms using Green Marketing?

While looking through the literature there are several suggested reasons [4] for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe that they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more responsible.
4. Competitors environmental activities pressurize firms to change their environmental marketing activities.
5. Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior.

Opportunity and Social Responsibility are major elements to take this step by corporate.

Opportunity: In India, around 25% of the consumers prefer environment friendly products, and around 28% may be considered health conscious. Therefore, green marketers have diversified to fairly sizeable segment of consumers to cater to.

Social Responsibility: Many companies have started realizing that they must behave in an environment friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives respecting the principle of Extended Producer Responsibility (EPR).

The present study considers three selected companies in India namely **HCL, LG India and Wipro InfoTech** [5] to meet its major objective.

Case I

Company Name: HCL

Initiative: Last year, HCL launched its range of eco-friendly notebooks, HCL ME 40. HCL claims that this was India's first PVC free and eco-friendly notebook.

This notebook is completely free from polyvinyl chloride (PVC) material and other harmful chemicals.

Further, Bureau of Energy Efficiency has given HCL eco-friendly products a five-star rating, and they also meet REACH (REACH is the European Community Regulation on chemicals and their safe use) standards and are 100 per cent recyclable and toxin free.

Case II

Company Name: LG India

Initiative: South Korean consumer durables major LG Electronics recently introduced LG LED E60 and E90 series monitors in the Indian market.

The LED E60 and E90 series monitors are packed with the eco-friendly features such as 40 per cent less energy consumption than the traditional LCD monitors.

Also, the use of hazardous materials such as halogen or mercury is kept to minimal in this range.

Globally, LG launched a range of eco-friendly products 'Eco-Chic' such as the platinum coated two-door refrigerator and washing machine with steam technology.

Case III

Company Name: Wipro Info Tech

Initiative: The company has launched a wide range of eco-friendly desktops is Wipro. Introduced under the Wipro Green Ware initiative, these products aim to cut down e-waste in environment.

Here, the systems launched are toxin free and operate under a total recycling policy. With the removal of the toxins, recycling of the electronic products would be safer, say company executives.

Wipro has 17 e-waste collection centers in India where products are collected and recycled. Also, 12 Wipro campuses in the country have been certified as green buildings.

V. FINDINGS & SUGGESTIONS

The most interesting findings are that LG has established its USP in producing 40% less energy consuming than other conventional products. Further, it is observed that HCL has recently produced HCLME 40Notebooks that gave a reward from Bureau of Energy Efficiency, while Wipro InfoTech has started developing eco-friendly computer peripherals too. 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. Green Marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available [6]. 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 rules because green marketing is essential to save world from pollution [7].

VI. CONCLUSION

Green marketing should not neglect because it has positive impacts not only on environment but on consumers, general public and economies as well. This paper helps us to know the various practices made by companies for promoting green environment and also aimed at transforming the consumer minds and their perceptions towards environment. Well in this scenario, many

corporate has taken green marketing further and as a part of their company strategy just to create brand image, gain the attention of the consumers. More and more companies need to emerge and also facilitate to the environment. This paper can also be viewed as a source of new opportunities to grow in today's highly competitive global environment.

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