



Corporate Sector Initiatives towards Green Marketing: A Study in Indian Context

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Abstract: *With the alarming environmental conditions and growing concern and efforts towards various environmental issues by the government and non-government organizations, the Indian customers are now more aware and conscious towards a green lifestyle. As a result the industry has to face two challenges simultaneously: environmental safety as well as attracting and retaining the customers. In this regard, Green Marketing has emerged as an important perception in the developing as well as developed countries of the world. In India this concept gained popularity in late 1990's. The Indian corporate sector has realized the significance of this phenomenon in order to gain a competitive edge and is heading towards products, techniques and strategies which are less detrimental to the environment in comparison to their conventional alternatives. The present conceptual study overviews the concept of green marketing. It explores the initiatives taken by few selected organizations from the Indian corporate sector towards Green Marketing as a key to sustainable development. Data has been collected from multiple sources like books, journals, websites, news papers etc. The objective of this paper is to examine the need and importance of Green marketing and concludes that it is consequential and continuously growing in both practice and demand.*

Keywords: *Green Marketing, Sustainable Development, Corporate, Customers*

I. INTRODUCTION

The first wave of green marketing touched India in late 1990's and the concept is gaining momentum ever since. The country became aware and conscious about divergent aspects of green marketing. It includes environmentally safer products, recyclable and biodegradable products, energy-efficient processes, better pollution controls, and promotion of environmentally safe or beneficial products, packaging made from recycled paper, phosphate-free detergents, reusable containers, and products with less or recyclable plastic, less consumption of water etc.

The American marketing association has construed green marketing in three different ways:

Retailing Definition: the marketing of products that are presumed to be environmentally safe.

Social Marketing Definition: the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality.

Environmental Definition: the effort by organization to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns.

Indian consumers are now more sensitized of preserving the natural environment. Acc. to the recent survey Greendex, 2014 conducted by National Geographic -Indian consumers are increasingly becoming more conscious about their choices and behavior and its impact on environmental sustainability than earlier times. Consequently, the corporate sector has to modify its attempts towards addressing the changing needs and concerns of consumers. According to CDP India 200 Climate Change Report 2014, shows how the Indian companies are using their increased commitment to climate change action to drive innovative sustainable businesses processes. Thus, Green marketing is gaining momentum because of the consumer's genuine concerns about the environment and sustainable development.

II. OBJECTIVES

The purpose of this study is to assess the changing needs of Indian consumers in respect to sustainable environment. It focuses on understanding the need and importance of green marketing and also evaluates the Indian business practices targeting green marketing.



III. RESEARCH METHODOLOGY

The present study is descriptive in nature. For this purpose secondary data were collected through online newspapers, magazines, books, journals, conference proceedings and websites etc.

IV. CONCEPT OF GREEN MARKETING

Green Marketing is an unconventional approach which addresses various issues related to marketing with entirely different perspective. Alternatively termed as environmental or ecological marketing, it has in its fold a wide range of activities which incorporate environmental concerns with marketing processes to realise the goal of customer satisfaction with sustainable development.

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organizations efforts at designing, promoting, pricing and distributing products that will not harm the environment.

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.

Thus Green Marketing can be defined as a set of organizational activities aimed at satisfying customer needs and wants, in a manner which is necessarily less harmful to the natural environment.

V. NEED OF GREEN MARKETING

Today's consumers are significantly conscious and responsible about the environment Therefore, more in order to meet consumers' aspirations for environmentally less damaging or neutral products, the industry eventually has to move towards becoming green. Following are the points that highlight the reasons for widespread industrial adoption of Green Marketing:

✓ **Better Prospects**

As per the recent surveys like Google Trends Report and National Geographic's Greendex, 2014 the customers in India are quite conscious about the natural environment and their own impact on the same. They prefer products that are less harmful to the environment. So the corporate sector targets it as an opportunity to gain a competitive edge and win over such customers

✓ **Corporate Social Responsibility**

The Indian corporate sector is now environmentally more responsible and integrates efforts towards sustainable development in its organizational culture. The India 2014 report titled "Indian companies decouple business growth from carbon emissions" reveals that over 60% of surveyed 200 Indian companies are introducing process energy efficiency initiatives, consequently, 24% have reduced their absolute emissions and an additional 26% have reduced their emissions intensity while driving business growth and profitability. Thus it realizes the profit related goals simultaneously with environmental objectives.

✓ **Government Initiatives and Pressure**

The Indian government has both pro-active and reactive approaches towards environmental protection and sustainability. It includes a variety of development schemes bagslike clean energy, clean water and sustainable agriculture as well as restrictive legislations like restrictive use of plastic bags, prohibition of smoking in public areas, etc.

The Gujarat Government is first in Asia and 4th in world to set up a Department for Climate Change. The Gujarat Government has taken steps for minimizing industrial waste, tracking hazardous waste, initiating BRTS, subsidy on solar roof-top system. All this has forced the Indian corporate sector to implement green marketing practices.

✓ **Pressure from the Competitors**

The Indian customers prefer eco-friendly products to their conventional alternatives and are ready to pay a premium price for the same according to recent Greendex Survey. As a result the firms practicing green marketing gain a competitive edge over the other firms. This competitive pressure forces various firms in the same industry to transform their marketing practices into environment friendly ones. In India major electronic giants like HCL, LG India, Panasonic, Voltas, Haier, Samsung Electronics are supporting the 'Go Green' Campaign by offering products less detrimental to the environment.

✓ **Cost Reduction**

Green marketing provides yet another advantage in terms of cost reduction by efficient production processes. The government displays supportive tendencies towards the firms working on greener or cleaner processes by providing them various facilities as well as subsidies. Like the Gujarat Government provides subsidy on installation of Solar rooftop system



and facilities for waste management. At times, certain firms develop a symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material.

VI. IMPORTANCE OF GREEN MARKETING

The resources provided by our mother earth are ample but limited to satisfying the ever increasing human wants. So the industry needs to utilize them efficiently and effectively with minimum possible wastage. This makes green marketing indispensable for sustainable development. Green marketing enables companies to satisfy the expectations of customers, communities and government leaders regarding environmentally friendly operations. Companies at the forefront of green marketing may attract more customers and generate greater revenue. Following points highlight the importance of green marketing:

- ✓ It ensures continuous growth along with profitability.
- ✓ It is cost-effective in the long run, though initial cost is high.
- ✓ The companies market their products and services considering the environment aspects which help in accessing new markets and enjoying competitive advantage.
- ✓ The employees feel proud and responsible to be working for an environmentally responsible company.
- ✓ It enhances the goodwill of the company.
- ✓ It fulfils the expectations of the stakeholders in terms of corporate social responsibility.
- ✓ It leads to preservation of scarce natural resources
- ✓ It helps in maintaining clean energy and production processes which reduces harmful environmental impacts
- ✓ It successfully caters to the needs of environment-conscious consumers.

VII. GREEN CONSUMER: TRENDS AND OPPORTUNITIES IN INDIA

Elkington (1994: 93) 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.

Time and again the Indian consumers are more mindful about the natural environment. They are concerned about burning issues like environmental degradation, global warming etc. They realise their responsibility towards sustainable development and thus prefer activities which are less detrimental to the environment. The following facts are revealed about the Indian consumer in various studies which reflect ample green marketing opportunities available in the country:

Google Trends reports that, on a relative basis, more searches for 'green marketing' originated from India than from any other country.

A survey conducted by **Green Factor** proves that Indian respondents scored over respondents from 10 other countries in expecting to pay 5% or more for green technology if its benefits for the environment and return on investment (ROI), which researches and highlights green marketing opportunities.

2014 Greendex, conducted by the National Geographic Society and GlobeScan, surveyed 18,000 consumers in 18 countries, and is the fifth iteration of the survey, since its inception in 2008. It is a composite measure of environmentally sustainable consumption which measures consumer behavior in four broad areas: housing, transportation, food consumption, and goods. The top findings of the survey are:

- ✓ Consumers in the developing economy of India are the top-scoring consumers in the 2014 Greendex study. They also scored highest in 2012.
- ✓ Environmental concern has increased since 2012, 61 percent of consumers globally now say they are very concerned about environmental problems and more people expect that global warming will negatively affect them during their lifetime.
- ✓ Compared to the study's 2008 baseline levels, more conscious consumer behavior has increased in nearly every country tracked since the first wave.
- ✓ Like in 2012, consumers in India, still score the highest on the housing, transportation, food as well as goods sub-index
- ✓ More and more consumers in India are embracing local and organic foods and lightening their environmental footprint.
- ✓ Indian Consumers are anxious about climate change and they believe in the notion that scientists are convinced that human activity causes climate change.
- ✓ Indian consumers are the most likely to report choosing to live close to their usual destinations in order to minimize the impact of their transportation on the environment.
- ✓ There have been increases in the proportion of consumers in many countries who prefer to have things repaired, including Indians.



- ✓ Results also show that Indian consumers display environmentally friendly behaviour and are more motivated to improve the same.
- ✓ Sustainable consumer behaviour has increased in all countries tracked including India. Higher proportions of Indian consumers feel very guilty about their own environmental impact.

All these facts and findings emphasise the adoption of Green Marketing in the country and accentuate the industry to practice green marketing in its true sense.

VIII. GREEN MARKETING: CORPORATE SECTOR INITIATIVES IN INDIA

Eco-friendliness is gradually finding its way into the Indian construction ecosystem. It is evident from the fact that as of May 2015, the country has at least 3,155 green building projects, covering more than 3 billion sq ft. That's more than all countries barring the United States.

The Confederation of Indian Industry (CII) has initiated the 'GreenCo' rating for companies based on their environmental performance across nine parameters including energy efficiency, water conservation, use of renewable energy and waste management.

The corporate sector in India has paid attention to the call of the time and some leading players have already started marching towards sustainable development. The ongoing description clearly provides evidence, how the Indian industry is keen towards adopting green marketing as a key to achieve its objectives of growth and profitability along with sustainability.

The growing interest of the corporate sector towards green marketing is illustrated from the following examples:

1. ITC has implemented several Green Initiatives including:

- ✓ CDM projects under the Kyoto Protocol.
- ✓ It creates more rainwater harvesting potential than its net consumption since last nine years
- ✓ Reusing/Recycling more solid waste than generated.
- ✓ The extensive plantations programme – now covering more than a 1,25,000 hectares of land, helps ITC to sequester carbon, while providing millions of person days of employment to marginal farmers
- ✓ Nearly 31% of total energy consumed is from renewable sources
- ✓ ITC Royal Gardenia, ITC Green Centre and ITC Grand Chola are three of the world's largest LEED Platinum rated green buildings.
- ✓ Cigarette factories, at Bengaluru, Saharanpur, Munger and Kolkata, Leaf Threshing Units at Chirala & Anaparti, Paperboards & Specialty Paper Units at Tribeni, the ITC Green Centre at Gurgaon, Surya Nepal's Cigarette factory at Simra, and ITC Hotels – Maurya, Maratha, Grand Central, Sonar, Windsor, Mughal, Kakatiya & Sheraton Hotels New Delhi & Rajputana reused/ recycled almost the entire waste generated (more than 99%) out of their operations.
- ✓ ITC carries out sustainability initiatives relating to water through conservation to achieve the lowest specific water consumption; Zero Effluent Discharge by treating and recycling all waste water. Rainwater Harvesting both at the company premises and through external watershed development projects in socially relevant areas.

2. **Cement major ACC** is a good case in point when it comes to green building initiatives. Its Mumbai headquarters near Churchgate has benefits of a green building like an airy atrium, cubicle-free open workspaces, terrace gardens and intelligent lighting and cooling systems that get activated only when needed. It received the LEED gold certification and 5-star energy efficiency status from the Bureau of Energy Efficiency. ACC building, the La Residency in Thane, and the Central Control Room building inside its new Chandrapur cement plant received platinum certification from the Indian Green Building Council. ACC's Thane complex is powered by the company's three wind farms of 19 MW installed capacity in Tamil Nadu, Rajasthan and Maharashtra. ACC received one of the country's top honours for sustainability-the CII-ITC Sustainability Awards 2013 for large companies. The same year, ACC commissioned its first waste heat recovery power generation unit of 7.5 MW, which has a potential to reduce nearly 44,180 tonnes of carbon dioxide per year while providing 7.5 per cent green energy for the plant.

3. **Kirloskar Brothers Limited's (KBL)** planned 'Yamuna', the first LEED platinum-rated green building in Pune region. In step with KBL's eco-friendly policies, the corporate office focuses on water conservation and harvesting, while waste from the cafeteria goes into the vermicompost. In 2014, the group became India's first pump manufacturing facility to receive the GreenCo rating. Its plant in Dewas, Madhya Pradesh, was recognised as a 'Green Company' by CII's GBC. Using energy-efficient technology, the Dewas plant has reduced specific energy consumption by 30 per cent in the last five years. It has put in place rooftop rainwater harvesting projects. This has helped the Dewas plant reduce water consumption by 40 per cent over the last five years and become a zero water discharge facility for the last 15 years. According to KBL officials, 45 per cent of all power consumption at Dewas is wind energy and the facility has cut down carbon dioxide emission by 10 per cent in the last five years. Waste management is another area where the plant scores high. It reuses 70 metric tonnes of mild steel scrap and recycles 100 per cent cast iron scrap. Moving onto the green lane back in 2009, KBL had signed the CII code for "ecological sustainable business growth" and adopted the principle of 3R-Reduce, Reuse and Recycle. The focus is now on



conservation of energy and water, minimising greenhouse gas (GHG) emissions and waste generation, improving recyclability, maximising material conservation, and use of recycled material.

4. **The Dell Company**, in partnership with The Energy and Resources Institute (TERI), has launched ‘The Climate Edexchange’—an IT-enabled initiative to improve environment education in schools across India. The campaign aims to raise awareness and understanding about climate change issues among students and teachers of all disciplines.
5. **Wipro Infotech**, provider of IT and business transformation services, has unveiled its new eco-friendly and toxin-free desktops, manufactured with materials completely free of deadly chemicals like polyvinyl chloride and brominated flame retardants.
6. **PV Technologies India** (a subsidiary of Moser Baer), Titan Energy Systems, Reliance Industries Ltd, Tata BP Solar Power are among the 12 Solar Photo Voltaic projects filed under Special Incentive Package Scheme (SIPS), which have received in-principle clearance from the Government. Together, these 12 projects would entail an investment of US\$ 16.34 billion over a 10-year period.
7. **CII-Godrej Green Business Centre (GBC)** in Hyderabad—a public-private partnership project between the Andhra Pradesh government, the Pirojsha Godrej Foundation and CII, constructed in 2004 with technical aid from USAID, achieved the highest level of certification for environment-friendly buildings under the Leadership in Energy and Environmental Design (LEED) system, developed by the U.S. Green Building Council. The building shows a 53 per cent saving in overall energy use, 35 per cent saving in the use of potable water, and 80 per cent usage of recycled and recyclable material.
8. Leading cement company **Vasavadatta** develop sustainable technologies in manufacturing, and real estate firm DLF ensuring some of its properties adhere to high standards of energy efficiency. In other sectors, Hindustan Unilever is aiming to cut carbon emission by 22 percent.

The above-mentioned illustrations clearly indicate that in promoting green marketing, Indian corporate sector has made definitive strides.

IX. CONCLUSION

Green marketing should not be considered as just one more approach to marketing, but has to be pursued with maximum efforts, as it has an environmental as well as social dimension to it. It essentially emerges as an opportunity as well as responsibility of the companies to adopt creativity and insight, and be committed towards the consumers and the environment. With more awareness of the environmental and economic benefits and greater government push, the industry initiatives are bearing great results. This will also help the society in the long run. Companies which embark on green marketing can adopt the following principles in their path towards greenness:

- ✓ Adopt new technology
- ✓ Process or modify existing technology so as to reduce environmental impact.
- ✓ Establish a management control system that will lead to adherence of stringent environmental safety norms.
- ✓ Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.
- ✓ Using more environment-friendly raw materials at the production stage itself.

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.

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