



Green marketing as a sustainable strategy

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Abstract

Marketing is about informing the prospective customers regarding the product or service offered by various tools. Marketers are finding new challenges, opportunities and threats in terms of dynamic changing environment. A number of strategies are devised to beat competition, face governmental intervention, to acquire larger market share and to stay in business by modern firms. Green marketing is a strategy not only desirable with time but also the result of environmental pressure on the marketers to safeguard natural physical environment by creating products which are environment- friendly. The processes involved, raw materials used in production also need to be monitored. Waste management is significant along with energy consumption, and use of bio-degradable packaging material.

The present paper is analytical descriptive study and aims at evaluating green marketing as a sustainable strategy for Indian firms in the long run which is based on case study method. The paper also seeks to conceptualize the philosophy and understand its significance in the wake of continuous degradation of our natural environment. Going green is the need of the hour.

Keywords: green marketing, environment, recycle, consumers

Introduction

In the current scare of COVID19 pandemic worldwide, we are all scared and counting ever increasing cases of infected humans. We can watch so many awareness messages in social media, some of which are really eye opening. Are we really worried about saving our lovely planet earth? Are we only repenting for what we have done to the environment? Are we realizing that with reduction of pollution levels, we can see Himalayas from Jalandhar, Punjab? We can see so many stars in the clear Delhi sky. The question is: Is earth only suffering due to excessive greed of humans? The current crisis have brought open many debates and questions that we need to find answers for.

We are continuously talking about growth and development of our respective countries. As growth and change is the necessity of evolution of economies and a natural outcome is exploitation of ecological resources. We have seen mountains disappearing due to mining in Manesar, burgeoning resorts coming up in Goa. We have seen temperatures rising in all the hill stations in India. Is urbanization at the current speed the need of the hour? With the global warming happening at such a fast rate, with glaciers melting at an unprecedented speed, scientists are warning us with hundreds of viruses beneath the glaciers, sleeping for thousands of years. With the melting of the glacier, they will become active and destroy the mankind. As the planet warms and the ice thaws, scientists warn we could see the re-emergence of ancient pathogens currently unknown to science. These viruses, which have laid dormant and locked away in glaciers and permafrost—permanently frozen soil—for hundreds if not thousands of years, could "wake up," researchers have said. Are we prepared for such disasters? Can we make small sacrifices to make earth a better place to live? I am just reminding you of a sustainable model of Gandhian philosophy. If we can decrease our materialistic needs to some extent, not creating

so much demand for unnecessary products, there are chances of survival for our future generations.

There are many recent developments in marketing such as, online marketing, direct Marketing, meta marketing, ecological or green marketing. These are terms which are coined keeping in mind the strategies used by modern firms in the face of cut-throat competition in the market place. In the present paper, green marketing as a tool of modern marketing has been discussed. The sustainability of the tool is also questioned by various authorities as it involves huge investment in terms of time and resources.

The green marketing was first introduced in the late 1970s when the American Marketing Association (AMA) organized the first ever workshop on Ecological Marketing in 1975 which resulted in the first book on the subject, entitled 'Ecological Marketing' by Heinon and Kinnear in 1976. The first definition of green marketing was according to Heinon as follows: "The implementation of marketing programmes directed at the environmentally conscious market segment".

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, packaging changes, as well as modifying advertising. 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. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "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 with growing awareness about the implications of global warming, non-

biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

According to Pride and Ferrell, green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organisation's efforts at designing, promoting, pricing and distributing products that will not harm the environment. Polonsky 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."

Myths and Critical Issues in Green Marketing

The act of misleading consumers regarding the environmental practices of a company of the environmental benefits of a product or service is known as green-washing. Poorly conceived approaches to marketing are another reason why terms like green, sustainable, and environmentally friendly are misused, leading to green-washing and confused, skeptical consumers. There are four critical issues that have "dogged the development of green marketing" as follows: Green marketing firms have frequently only used the environment as an additional promotional dimension without any attempt to analyze or modify the product or its ingredients or its impact on the environment. Secondly, most of the firms have focused on consumer needs and their focus on environment has been restricted to marketing and promotional activities only. This has not led to the development of a holistic approach to the same. Moreover, the firms are cost conscious so only interested in low-cost savings but lukewarm when it involves huge investments for developing sustainable products and processes. Lastly, firms are spending on window dressing or marginal improvements to existing processes to create an illusion in the minds of consumers. Sincere efforts to reduce pollution or harmful impact on environment are minimal and the natural resources are unscrupulously exploited by manufacturers in India.

Literature Review

According to Roger A Kerin *et al.* (2007), Green Marketing takes many forms. It comes from product development opportunities that emanate both from consumer research and its —Pollution Prevention Pays program. This program solicits employee suggestions on how to reduce pollution and recycle materials. The study by Murugesan (2008) underlined that firms may use green marketing as an attempt to address cost or profit related issues. Disposing of environmentally harmful byproducts, such as polychlorinated biphenyl contaminated oil are becoming increasingly costly and the firms that can reduce harmful wastes may incur substantial cost savings.

Anup Sinha & Jamie Gilpin (2009) ^[9] primarily focused on finding inefficiencies in the carbon value chain of energy production using renewable methods. By utilizing anaerobic digestion and gasification technology Aura could produce biogas from cattle, swine, and other farm animals.

Selva kumar & Ramesh Pandi (2011) ^[8] indicated that Green

Marketing is not all about manufacturing green products and services but encompassing all those marketing activities that are needed to develop and sustain consumers'eco-friendly attitudes and behaviours in a way that helps in creating minimal detrimental impact on the environment.

Philip Kotler (2011) ^[4] recognized that the Companies need to make drastic changes in their research-and-development, production, financial, and marketing practices if sustainability has to be achieved. The several environmental challenges to be considered in the sustainability are change in the composition of the atmosphere, depletion of the ozone layer, Soil degradation and increased desertification, increased air and water pollution.

Moloy Ghoshal (2011) ^[2] examined that green marketing was still in infancy. In the perception of marketing scholars, green marketing refers to eco-level and market segmentation and the role of structural factors and economic incentives in influencing consumer behavior. The green marketers must understand to satisfy two objectives: improved environmental quality and customer satisfaction.

Ann Kronrod *et al.* (2012) highlighted and explained the surprising prevalence of assertive environmental messages in the media. Environmental agencies, which are populated with people who perceive protecting the environment as a highly important issue, should understand that not all consumers are as informed and concerned about the environment. Thus a review of literature shows that it is a concept which is not very old rather more recent development and it is still evolving. The philosophy needs to be conceptualized after case study analysis so that experiences of various companies can be shared. The present paper seeks to draw conclusions based on a number of case studies.

According to Polonsky's research on green marketing, there are several reasons for companies to increase their exploitation of green marketing:

1. Company management perceives environmental marketing to be an opportunity that can be used to achieve their objectives.
2. Company management believes they have a moral obligation to be more socially responsible.
3. Governments are forcing companies to be more responsible.
4. Competitors' environmental activities pressure companies to change their environmental marketing activities.
5. Cost factors associated with waste disposal or reductions in material use forces companies to modify their behaviour.

Thus, it may be rightly concluded that green marketing is "an overall holistic philosophy which targets at producing environment-friendly products through conscious processes and methods which are not detrimental to natural physical environment." It is the only option in the wake of continuous deterioration of our environment. Offering such products and techniques of production which do not create any pollution and use bio-degradable materials for packing, less and proper utilization of resources, development of renewable sources of energy, control over waste creation and management are some of the areas which need to be focused in a country like India. The world is becoming more and more aware about the pollution hazards and carbon credits, global warming etc. have become bone of

contention among developed and developing nations. The development of International environmental standards ISO-14000 is another commendable step by ISO.

Rationale of the Study

The present study seeks to conceptualize the philosophy and create awareness among the Indian manufacturers to use sustainable methods to produce. This is an attempt to review the relevance of 'green marketing' as a tool of environmental protection. As our planet offers resources that are limited but human needs and wants are unlimited, resources have to be utilized economically and in an environment friendly way. In this situation, the green marketing idea has to play an important role in sustainable development of this planet. This increasing awareness is a boon to the marketers because it has enhanced strategic options to promotion. As the consumers are becoming more aware about environmental issues, green and ecological marketing strategies are becoming more prevalent in the market. The main reasons for the increasing significance of Green marketing are as follows:

- **Cost Effectiveness:** As green marketing involves recycling of materials which become cheaper to use, it is a cost effective method. It leads to less utilization and reuse of natural resources. Thus protecting our environment from over exposure and exploitation.
- **Strategic Importance:** As more and more economies are opening up for international trade, there are increasing pressures on environment and its constituents, as a result, many governments are imposing restrictions on goods and packaging material to be environment-friendly. For improving exports and balance of payments, it has become an important strategic choice of many firms in order to compete in international market.
- **Government Regulations:** Increasing number of governments has set up rules and legislations for ecological balance and protection of natural environment. These rules aim at safeguarding us from hazardous industrial waste and air, water and noise pollution.
- **Corporate Social Responsibility:** The social awareness about our environment has made it an important element of CSR. Every company wants to project an image of a conscious firm which uses environment-friendly processes and tools to produce eco-friendly products in the marketplace. Every CSR report includes the efforts made by the firm regarding use of energy and modern techniques of energy, water replenishment efforts like rain water harvesting, waste management and recycling plants etc.

The customers always prefer environmental household products which must benefit them such as, safe to use in kitchen around children, no toxic ingredients, no chemical residues, and no strong fumes commodities. At present, most of the daily newspapers are available online and seminars, conferences, and publications as well as on-going webinars on how to become a green company or community. Most of the companies are practicing green marketing in their products for example:

1. Coca cola co. of USA pumped syrup directly from tank instead of plastic which saved 68 million pound every year.

2. McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
3. Xerox introduced a high quality recycled photocopier paper in order to satisfy the needs of firms for less environmentally harmful products.
4. Philips launched the Earth light, a super energy efficient compact fluorescent light (CFL) bulb designed to be environmentally preferred substitute for traditional energy intensive bulb.
5. In India, Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution in Delhi.
6. In India, Barauni refinery of IOC has taken steps for restricting air and water pollutants.

Four R'S of Green Marketing

There are four R's of green marketing, viz., reduce, recycle, reuse, and rebuy.

1. **Reduce:** Reduce implies at reducing the requirement of packaging and other material made from man- made or natural fiber for resale or consumption. It indicates using only bio-degradable material and saying 'no' to plastic packing materials.
2. **Recycle:** Recycle insists on recycling materials for further use either as a raw material, packing, or supplies/ component of the finished product. The basic objective is to decrease man made garbage and mainly e-waste on the planet. If we can reuse already abandoned products for refurbishing, it can be amazing for our environment.
3. **Reuse:** Indian firms try to use the discarded bottles, containers and cans for packing their products. This may amount to reuse of existing products for reselling. Shipping cartons are made up of recycled paper boards. We should encourage more use of reuse of existing old products for reuse. This will reduce burden of garbage on the planet and save scarce natural resources.
4. **Rebuy:** Some firms in the world are trying to resell discarded products, thus, saving the world from over utilization of resources. As the world is becoming a global market, different countries are dependent on each other for various resources. The developed countries can dispose of their unused products to be used by under developed countries. The economies with low per capita income may rebuy those products from developed ones. The consumption patterns are much different for both type of economies. This concept can save resources through rebuy philosophy.

Advantages of Green Marketing as a Strategy

- Due to enough awareness about market, competition can be faced in a better fashion. The counter strategies for facing competitors will lead to innovation and research in the field. More quality consciousness will be created to improve processes for cost reduction.
- The holistic approach also reduces chances of product failure as it involves detailed planning and research before launch of a new strategy or product. The market segmentation, targeting and product positioning, helps in understanding customer needs in a balanced way.
- If a firm is using this technique, it can predetermine the market opportunities and threats and prepare better to face future uncertainties. It can take advantage of being

an early bird as well if proper planning and estimation is done.

Marketing is a philosophy par excellence, and requires continuous evaluations in terms of results and it needs research at a persistent basis. With the business environment which is highly volatile, threats can emerge overnight, competitor may come up with better products at lower prices or may capture a larger market share. The government policies may change, foreign exchange rate fluctuations may affect import export of components or may be customers' preferences change. These opportunities and threats need to be perceived well in advance and counter strategies have to be implemented at short notice. Such challenges have resulted in innovation in marketing strategies as well, such as Green marketing is one such approach recently observed in the market.

Environmental Management System (EMS) Certification

In the times where Indian business firms are facing competition from multinational companies and quality and efficiency are the buzz words, the concern about customer retention has gained importance. The stakeholders like society, suppliers and consumers have become aware of the environmental issues and how the products and processes are affecting the environment. The companies are seeking ways to impress upon them that they are working towards sustainable development and growth. The processes have to be efficient yet environment-friendly. The products and processes involved in production should be as per the international norms of environment protection and pollution should be minimized. The ISO-14000 standards are a milestone in achieving the global green standards and the enterprise may go a long way in creating a positive image in the minds of all concerned that they are contributing to energy conservation and protection of natural physical environment by adopting the same.

ISO-14000 standards are designed to provide customers with an assurance that the claims of a company regarding sustainable growth are accurate. The standards help integrate the environmental management systems of company with the global requirements. The ISO process has not fully involved all countries or levels of business. Some consumer and environmental organizations may well be skeptical of voluntary standards and there is a large measure of capacity building required to be created. These standards are not yet mandatory but optional. The ISO 14000 series of standards has been designed to help enterprises meet their environmental management system needs. They have been under development by the International Organization for Standardization (ISO) since 1991. They consist of a set of documents that define the key elements of a management system that will help an organization address the environmental issues it faces. The management system includes the setting of goals and priorities, assignment of responsibility for accomplishing them, measuring and reporting on results, and external verification of claims.

The intention of ISO 14001:2004 is to provide a framework for a holistic, systematic and strategic approach to the organization's environmental policy, plans and actions. An effective environmental management system based on ISO 14001 provides an organization's top management with a roadmap which allows them to manage environmental issues effectively by prevention and identification of areas for cost savings in energy consumption, raw material usage

and waste disposal.

Environmental Management System

An Environmental Management System (EMS) is a structured framework for managing an organisation's significant environmental aspects and impacts. Some organisations have adopted the framework specified in national or international standards that set out the requirements of an EMS and have had their systems externally assessed. The continuous improvement process for ISO 14001 is slightly different than for the quality management systems. It includes 3 aspects:

- Expansion – more and more business areas should get covered by the implemented EMS;
- Enrichment – more and more activities, products, processes should be involved in the EMS;
- Upgrading – improvement in structure and framework of the EMS through know-how gained by the business when dealing with environmental issues.

The continuous improvement of environmental management system should result in the environmental thinking of the whole organization; it should move from operational measures to a strategic approach on how to deal with environmental challenges. A large number of companies world-wide have improved in terms of environmental sustainability. Further, awareness should increase in small and medium scale enterprises. Most of the organisations have not improved much in terms of environmental protection policies. They have limited or no knowledge of EMS and of ISO: 14001, they create merely an image in the minds of stakeholders.

Case Studies

1. McDonald's is a perfect example. Most people don't associate them with green initiatives as their business is based around hamburgers, fries and soft drinks. But over the last decade, the fast-food chain has made substantial eco-friendly strides. The restaurant giant now puts its used cooking oil into biodiesel vehicles, uses non-hydrogenated cooking oils, and purchases sustainably grown coffee and organic milk. So what has McDonald's done to highlight its intentions? While the iconic "M" arch remains gold in the U.S., in many European countries, the arch has been changed to green. The firm has even developed an environmental scorecard that rates its vendors' performance in areas such as water use, energy use and social waste management.

All of McDonald's 600-plus suppliers are independent companies with whom long-term relationships have been developed. This strategy is intended to improve McDonald's ability to focus its efforts on its core business — restaurant operations. Most suppliers operate on a cost-plus basis. McDonald's often holds seminars and conferences for suppliers to discuss their needs.

McDonald's is committed to protecting the environment for future generations, and that it believes that business leaders must also be environmental leaders. The policy takes a total lifecycle approach. McDonald's had already initiated several waste reduction efforts when EDF contacted it, but the ensuing discussions led to a proposal calling for a joint task force to create "a framework, a systematic approach

and a strong scientific basis for McDonald's solid waste decisions." The EPA's waste management hierarchy became the foundation for task force efforts. McDonald's has made substantial progress in its source reduction efforts over the past 20 years. For example, McDonald's "average meal" in the 1970s — a Big Mac, fries and a shake — required 46 grams of packaging. Today, it requires 25 grams, a 46 percent reduction. McDonald's has also reduced the weight of packaging in its sandwich wraps, hot cups, and napkins, removed corrugated dividers in some shipping cases, and switched to bulk containers wherever possible.

In April 1990, McDonald's announced the Mc Recycle Program, a commitment to spend \$100 million annually on the use of recycled materials, especially in the building and renovation of its restaurants.

2. LG Electronics India Pvt. Ltd. The home appliances and consumer electronics major, is a subsidiary of LG electronics. The company uses eco-friendly processes to produce products like vacuum cleaners, washing machines, Air Conditioners, Microwaves, and refrigerators, etc. LG has been a trend setter in promoting its products through platform of health as an issue. The colour television segment highlighted the 'golden eye', technology that reduces strain on the eye. The Air Conditioners campaign highlights 'Plasma healthy air system' that gives pure clean air flow, keeping pollution to a minimum level. LG's advertising strategy has been insisting on celebrity endorsements, advanced features and eco-friendly processes and products.

3. Toyota

Toyota, after all, had become a darling of the eco-minded, a case study in the green halo that can toughen to old-line companies that bring environmental innovation to mainstream audiences. Toyota seemed to have done it the right way: with products that weren't just greener, but better -- in this case, high-aesthetic, high-performance, affordable cars.

In some regards, Toyota's Prius gas-electric hybrid represented the green consumer ideal: no tradeoffs -- a product that pushed all the right buttons. It came from a trusted brand, does not require consumers to change habits, performed well, looked great, and provides an environmental benefit. It made a public statement about the owner's green credits. It offered consumers, "Change without changing." There haven't been many other consumer products from major brands, save for a handful of household cleaners that have fired on all those cylinders.

One evidence of the hero status, comes from the Green Confidence Index, co-produced by a team at GreenBiz.com. Every month they ask 2,500 Americans -- a demographically representative sampling of the adult online population -- a simple but profound question: "What company, if any, do you think of as being 'green'?" It's an unaided question, meaning that no list of companies is provided. Respondents simply name companies that are top of mind. For the past six months, Toyota has remained among the top 8 companies named.

Case Study 4: Maruti Suzuki Ltd

Source: [www://marutisuzuki.com](http://www.marutisuzuki.com)

Maruti Suzuki India Limited is a leading passenger vehicle

manufacturer in India. The Company was established in 1981 as a joint venture between Government of India and Suzuki Motor Corporation (SMC), Japan. Today, it is SMC's largest subsidiary in terms of volume of production and sale.

Maruti Suzuki strives to consistently improve the environmental performance of its manufacturing operations, products and supply chain. The Company identifies environmental impact and develops strategies to mitigate impacts in each of these areas. The company reviews existing processes, systems and equipment from the point of view of their impact on the environment and health and safety of people. Stakeholders and their environment-related suggestions and concerns are also taken into consideration to bring about further improvement in the company's environmental performance.

Maruti Suzuki has an elaborate organizational structure to deal with all aspects of environmental performance. The management reviews parameters related to environment every month in the Business Review Meeting. The management approach promotes continuous improvement, striving to set industry standards and continuous learning. Horizontal deployment of good practices across Maruti Suzuki facilities and sharing with suppliers is also promoted. The Company sets environmental targets each year. The responsibility of achieving the targets is distributed to relevant departments and individuals. Progress is monitored periodically. The whole process is guided by the PDCA (Plan-Do-Check-Act) cycle. The approach is reviewed periodically and improvements are made to achieve better results. The performances against the set targets are evaluated and further actions are taken.

Conclusion

Green marketing is the marketing of products which are considered not to be harmful for environment. Green Marketing is a phenomenon which has developed particular importance in the modern market. In the emerging world the concept of pollution free environment is given more significance in all the spheres and in all processes. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome these difficulties a new concept has born in the present globalized world where production, consumption and also marketing of the products can be carried effectively ensuring environmental safety.

But the question still remains whether it is going to be sustained in India in the long term as it requires a lot of commitment on behalf of the producers. For achieving pollution free environment, with proper utilization of resources, requires a lot of innovation and research as it has to be profitable as well. With a cut-throat competition, shrinking markets, insensitive consumers, fast changing technology, survival has become a thrust area for most firms. In this scenario, it is another challenge which is to be responded to by the marketers. Gradually, 'going green' is becoming the only mantra to survive. Case studies included in the article throw light on the process of establishing a brand as a green product and its implications.

The study also covers certification to ISO: 14000 environmental standards adopted by many companies in the

world. They help create not only maximization of profits but also a better corporate image. A number of case studies of Maruti and Toyota have been included in order to understand the relevance of the same.

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