

Green Marketing – Case studies of companies implementing towards Green Revolution

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Abstract

Green Marketing has emerged as a important concept in India as in other parts of the developing and developed countries. It is a new revolution in India in late 1990's .There is a radical change in consumer preferences and life styles. There has been a change in consumer attitudes towards a green lifestyle. The companies are actively trying to increase their impact on the environment. Due to this shift from traditional marketing to green marketing, companies these days are facing many new challenges. Organizations and business however have seen this change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. This conceptual study discusses the initiatives of few selected corporate towards green marketing in India and abroad also. Though their initiatives are different but the goals are similar and the initiatives have resulted in competitive advantage for these organizations. This paper describes the various initiatives introduced by selected companies for promoting green marketing-revolution.

Keywords : *Green marketing , companies strategy, traditional marketing*

Introduction

Green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment."

By India's heritage, Indian consumers do appreciate the importance of using natural and herbal green products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

The influence of the green consumer will grow as environmental awareness among consumers spreads and improvements are made to the environmental information available through eco-labeling schemes, consumer groups and consumer guides (Peattie, 1995). A variety of literature discuss about green marketing and pays attention to the relationship between customers attitudes and environmental strategies in relation to the company's use of marketing.. A global Synovate survey conducted

in 2007 in association with Aegis, and repeated in 2008 in association with BBC World, also found that consumers in most countries are becoming more aware and willing to act on environmental concerns. Most of such studies on green philosophy and green marketing are done in developed countries but such studies however, remain conspicuously missing in the context of developing economies like India. The present study discusses the concept of green marketing and its interface with consumers in India, and few Indian cases also discussed.

Green Products and their Characteristics

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable,

- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

Literature Review

The growth of green marketing and green consumer is "perhaps the biggest opportunity for enterprise and invention the industrial world has ever seen" (Cairncross 1992: 177). The green consumer is considered more educated and wealthier than the average consumer (Shim, 1995).

There appears to be a democratization of green purchasing in Europe and North America. Indeed, Laroche et al. (2001) found that there is a group of consumers which transcends the socio-economic boundaries and is willing to pay for the ethical credentials.

In 2002 Roper survey, 41% of consumers said they did not buy green products because they worried about the diminished quality of eco-friendly versions. All over the world, the demand in green products is growing and as such there is a concern for understanding how green is a green product. This overwhelming increase in the overall environmental consciousness among different consumer profile there have been efforts undertaken by firms to "go green" by presenting the concept of corporate environmentalism (Banerjee, 2003; Hay and Lichter 2000) One of the most important restraints to the development of green products is the lack of consumer trust and the lack of information (Cervellon et al. 2010; Yiridoe et al., 2005).

Green consumer segments

While buying green may not appeal to everyone, there are substantial numbers of consumers who are potentially receptive to a green appeal.

According to the Roper survey (2002) mentioned above :

- 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.
- So it is clear that some consumers already demonstrate sporadic green sentiments in their habits and purchasing behavior. Understanding the target consumer will help marketers to know whether "greenness" is an appropriate selling attribute and how it should be incorporated into the marketing mix.

The Roper survey divides consumers into the following groups:

- **True Blue Greens (9%):** True Blues have strong environmental values and take it upon themselves to try to effect positive change. They are over four times more likely to avoid products made by companies that are not environmentally conscious.
- **Greenback Greens (6%):** Greenbacks differ from True Blues in that they do not take the time to be politically active. But they are more willing than the average consumer to purchase environmentally friendly products.
- **Sprouts (31%):** Sprouts believe in environmental causes in theory but not in practice. Sprouts will rarely buy a green product if it means spending more, but they are capable of going either way and can be persuaded to buy green if appealed to appropriately.

• **Grouzers (19%):** Grouzers tend to be uneducated about environmental issues and cynical about their ability to effect change. They believe that green products cost too much and do not perform as well as the competition.

• **Basic Browns (33%):** Basic Browns are caught up with day-to-day concerns and do not care about environmental and social issues.

Green Marketing Mix

Understanding the target consumer will help marketers to know whether "greenness" is an appropriate selling attribute and how it should be incorporated into the marketing mix.

Every company has its own favorite set of 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 if they wanted to adopt the policy of green marketing.

Green product:

Green products are typically durable, non-toxic, made from recycled materials, or minimally packaged (Ottman, 1997). Green based product strategies comprise any or a combination of recycling, reduction of packaging materials, re-consumption, dematerializing the products; using sustainable source of raw materials, making more durable products; designing products that are repairable, making products that are safe for disposal, making products and packaging's that are compostable, and making products that are safer or more pleasant to use (Bhat, 1993; Ashley, 1993; Polonsky et al, 1997; Ottman, 1998 and Charter et al, 1999). The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has

significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

Green Price

Many consumers assume that green products are often priced higher than conventional products (Peattie, 1999; Polonsky, 2001). Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag. The retail shops like Big Bazaar, Life style , Reliance trends, Nilgiris , Mc Rennett started charging consumers when they opted for plastic bags and encouraged people to shop using its Eco friendly bag

Green Place

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

Green Promotion

According to Schollossberg (1993) as quoted by Polonsky (1997), green promotion helps consumers to overcome the "greatest environmental hazard", that is, the lack of environmental information. To lessen the gap on environmental information through promotion Ottman (1997) has suggested several green promotion strategies.

Thus the green companies should:

- i) Educate consumers on the environmental problems that a green product solves.
- ii) Empower consumers with solutions by demonstrating to consumers how environmentally sound products and services can help consumers protect health, preserve the environment for future generations. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power
- iii) Provide performance reassurance of green-based products, as many consumers perceive them to be inferior to conventional products . Even the names of retail outlets like "Reliance Fresh", Fresh@Namdhari Fresh and Desi, which while selling fresh vegetables and fruits, transmit an innate communication of green marketing.

Companies Involved in GREEN Environment

1. ITC Limited:

ITC strengthened their commitment to green technologies by introducing 'ozone-treated elemental chlorine free' bleaching technology for the first time in India. The result is an entire new range of **top green products and solutions**: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.

2. Tamil Nadu Newsprint and Papers Limited (TNPL):

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this **top green firm in India** includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

3. Tata Metaliks Limited (TML) :

Every day is Environment Day at TML, one of the **top green firms in India**. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

4. State Bank of India: Green IT@SBI

SBI entered into green service known as "**Green Channel Counter**". SBI is providing many services like 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. State Bank of India turns to wind energy to reduce emissions

5. HCL Technologies

This IT major may be considered as the icon of **Indian green initiatives**, thanks to the "go green" steps taken in solving the problem of toxics and e-waste in the electronics industry. HCL is committed to phasing out the hazardous vinyl plastic and Brominated Flame Retardants from its products and has called for a Restriction on Hazardous Substances (RoHS) legislation in India.

6. Oil and Natural Gas Company (ONGC)

India's largest oil producer, ONGC, is all set to lead the list of **top 10 green Indian companies** with energy-efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

7. Hero Honda Motors

Hero Honda is one of the largest two-wheeler manufacturers in India and an equally responsible **top green firm in India**. The company's philosophy of continuous innovation in **green products and solutions** has played a

key role in striking the right balance between business, mankind and nature.

8. 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 Greenware**. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

9. 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.

10. Coca-Cola's Environmental Initiative

The Coca Cola Company is one of the largest worldwide beverage retailers, manufacturers, and marketers of various non-alcoholic beverages. They 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.

11. Suzlon Energy

The world's fourth largest wind-turbine maker is among the greenest and best Indian companies in India. Tulsi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon's corporate building is the most energy-efficient building ever built in India.

12. IDEA Cellular

One of the best Indian companies, IDEA, paints India green with its national 'Use Mobile, Save Paper' campaign. The company had 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 tendril climbers to convey the green message.

13. KFC's new green restaurant

The latest store was built using elements that follow the Leadership in Energy and Environmental Design (LEED) certification process created by the U.S. Green Building Council. "This new KFC Green restaurant is part of our E3 initiative, which looks at Economically responsible ways of saving Energy and being Environmentally aware," said Roger McClendon.

14. Tata group of companies:

Tata Motors Ltd. has developed their showroom by using green items and elements in its design. It shows eco-friendly atmosphere that attracts people towards itself. They are also going to launch a low cost water purifier which is made of pure and natural ingredients.

15. Digital tickets by 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.

16. Lead Free Paints from Kansai Nerolac:-

Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system.

Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

Conclusion :

Green marketing is a relatively quite recent phenomenon and it is growing awareness amongst consumers and businesses about minimizing the adverse impact on the environment. Environmental issues are given more importance these days .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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