

Green Marketing : A Tool of Social Responsibility in the Changing Scenario

Tanuj Sharma

Assistant Professor, Chitkara University, Bamur, Patiala

Abstract

In the recent time of globalization, it has become a challenge to keep our natural environment safe and that is the biggest need of the day. Globally, business environment is passing through the phase of dynamic change where the needs and expectations of the people are changing day by day and they are becoming more concerned about the environment. The changing attitudes of consumers regarding environmental protection, and the change of consumption habits force enterprises to look for new alternatives and activities. In the light of new phenomenon, it becomes the responsibility of the business houses to satisfy human needs and desires while preserving the integrity of the natural environment. Green marketing, in a broader sense, is an ethical approach and also acts as a tool of CSR that encourages businesses to become socially responsible to provide better products and contribute to the community. This paper deals with the concept of green marketing and highlights the reasons why companies are moving towards green marketing approach. It also attempts to review how the green marketing and Corporate Social Responsibility is fulfilled by various Indian organisations. Companies need to evaluate themselves whether they are really practicing green and socially responsible marketing by inculcating green practices into their operations. So, the development of green marketing concept has opened the door of opportunity for the companies to achieve long-term profits in a greener way. The paper concludes that green marketing is being used as a tool by business houses to perform their CSR and provides competitive advantage to them to ensure a balance between development and environmental sustainability.

Key Words

Corporate Social Responsibility, Environmental Protection, Green Marketing, Sustainability

INTRODUCTION

Environmental deterioration has been the matter of concern since the past few decades and environmental consciousness has been raised worldwide because of the rising evidences of environmental problems. Environmental issues like air pollution, ozone depletion, hazardous waste, water pollution, global warming etc. are now so common that we need to address them as soon as possible to sustain our ecosystem. So to keep our natural environment safe is the biggest need of the time. The business environment is going through the phase of dynamic change at the global level where the consumers of today are more environmental sensitive in their attitudes, preferences and purchases. Practically, business depends upon society and society depends upon business. The business depends upon society for its needed inputs like men, material/services, money, skills etc. while society depends upon business for products and services produced by business for their daily requirements and employment also. It is perceived that the success of business depends on profit and social responsibility is important means of profit maximization.

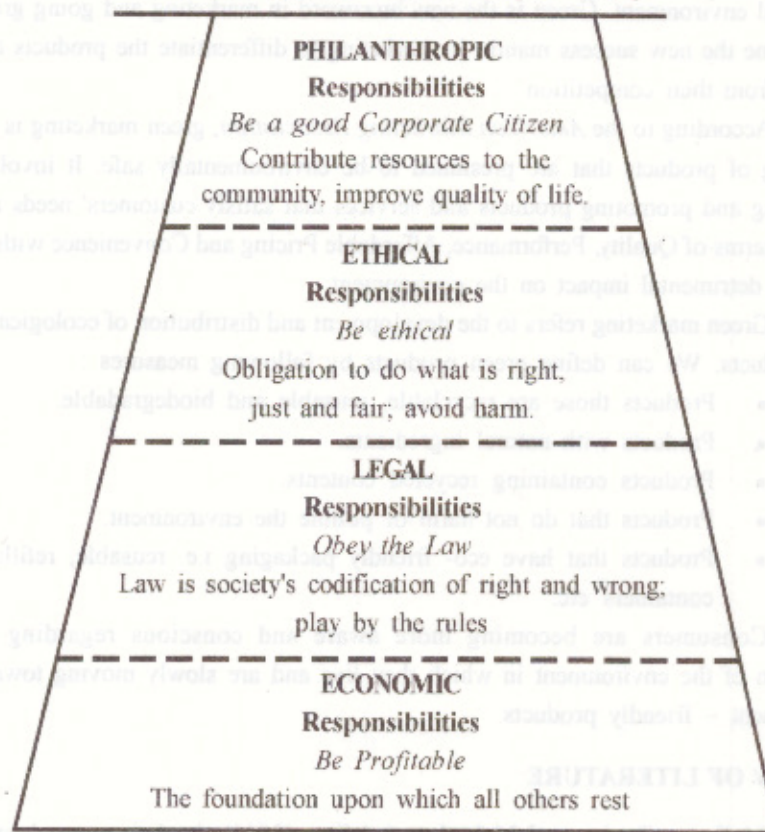
CORPORATE SOCIAL RESPONSIBILITY

The concept of "Corporate Social Responsibility" (CSR) becomes an integral part of the business vocabulary and is regarded as an important issue in the present time. Therefore, the company needs to develop its social responsibility in its policies and practices in order to make them an integral part of its mission, values, strategy and operations.

Corporate social responsibility has various meanings to various people, but generally it is considered to know what is right or wrong in the workplace and doing what's right. CSR is generally accepted as wherever the firm operates, that is either in the domestic or global economy, it should work for the improvement of its employees, customers and environment in which it operates. In other words, corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Kotler and Levy, in their book, "Corporate Social Responsibility" define corporate social responsibility as a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.

The Pyramid of Social Responsibility



Source : Carroll 1999

Some of the benefits of being socially responsible include (a) enhanced company and brand image (b) easier to attract and retain employees (c) increased market share (d) lower operating costs and (e) easier to attract investors. A socially responsible firm will care about customers, employees, suppliers, the local community, society, and the environment. CSR can be described as an approach by which a company recognizes that its activities have a wide impact on the society and that development in society, in turn, supports the company to pursue its business successfully. This approach is derived from the principles of sustainable development and good corporate governance.

GREEN MARKETING

The green movement is a part of the larger framework of Corporate Social Responsibility which is based on the principle that businesses have the

responsibility to satisfy human needs and desires while preserving the integrity of the natural environment. Green is the new buzzword in marketing and going green has become the new success mantra in marketing to differentiate the products and services from their competition.

According to the *American Marketing Association*, green marketing is the marketing of products that are presumed to be environmentally safe. It involves developing and promoting products and services that satisfy customers' needs and wants in terms of Quality, Performance, Affordable Pricing and Convenience without having a detrimental impact on the environment.

Green marketing refers to the development and distribution of ecologically-safe products. We can define green products by following measures :

- Products those are recyclable, reusable and biodegradable.
- Products with natural ingredients.
- Products containing recycled contents.
- Products that do not harm or pollute the environment.
- Products that have eco- friendly packaging i.e. reusable, refillable containers etc.

Consumers are becoming more aware and conscious regarding the protection of the environment in which they live and are slowly moving towards environment – friendly products.

REVIEW OF LITERATURE

Malhotra Gunjan and Maheshwari Aditya (2011), in their research study 'Green Marketing : A Study on Indian Youth' investigated that most consumers now display concern about environmental deterioration. In this study, authors have focused on the youth and have tried to understand awareness level of green products, their perception about green products, the parameters they consider for buying green products and if Green Marketing really affects their decision to buy products. Result showed that consumers are not overly-committed to improving their environment and may be looking to lay too much responsibility on industry and government.

Vinayagamoorthy A. and Somasundaram M. (2012), in their research paper 'Emerging Trend of Green Marketing', revealed that green marketing factor is making its place in the modern market trend. As a result of this, businesses have increased their efforts of targeting consumers who are concerned about the environment.

Kiran Uday K. (2012), in the research study 'Opportunity and Challenges of Green Marketing', with special reference to Pune, examined some of the reasons

why organizations are adopting green marketing philosophy besides some of the problems linked with green marketing. The study concluded that increased awareness among the consumers forces the business houses to inculcate green practices into their operations.

Agarwal Kriti and Sharma Pooja (2013), in their research study 'The Altering Magnitude of Green Marketing : Indian Development' concluded that green marketing is a phenomenon which has developed its particular growth in the modern market. It has emerged as an important concept in India as in other parts of the developing and developed world which opened the door for companies to earn profits in greener way.

Kaur Parminder (2013), in her study 'Green Revolution in Marketing : Need of the Hour in Changing Business Environment' discussed about the benefits of adopting green approach by the companies. The study concluded that marketing approaches should be customer and environmental oriented for sustainable growth. There is a need for shift in the pattern of the way the business houses think about their role in attaining sustainable development.

Tyagi Himani (2013), in research study 'Emerging Strategies of Green Marketing in India' emphasized upon green marketing as a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. The study concluded that marketers are responding to growing consumer demand for environment- friendly products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control.

OBJECTIVES OF THE STUDY

The objectives of the study are :

- To highlight the reasons why green marketing approach is adopted by the companies.
- To study some of the green marketing practices and initiatives of companies concerning corporate social responsibility in the present scenario.
- To examine the challenges faced by the companies pursuing green marketing.

GREEN MARKETING-REASONS FOR ADOPTION BY THE FIRMS

There are various reasons to 'go green' for the companies. These are :

- Organizations perceive environmental marketing to be an opportunity

that can be used to achieve its objectives [Keller 1987, Shearer 1990];

- Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];
- Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990];
- Governmental bodies are forcing firms to become more responsible [NAAG 1990]; and
- Cost factors associated with waste disposal, or reductions in material usage, forces firms to modify their behaviour [Azzone and Manzini 1994].

Green Marketing as an Opportunity

Generally it has been found that both individual and industrial consumers are becoming more concerned about the environment. In 1992, a study of sixteen companies, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment [Ottman 1993]. In a 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behaviour, including their purchasing behaviour due to environmental reasons [EPA-NSW 1994]. As the demand for eco- friendly products increases, many firms see this as an opportunity to be exploited.

Green Marketing as Social Responsibility

Many companies are taking the initiative to become environment-friendly. Sometimes it also acts like a marketing tool, while in some cases they are doing it without promoting this fact.

- Coca Cola does not promote its environmental initiatives. Although they have invested large sums of money in various recycling activities and also modified their packaging to minimize the environmental impact. Coca Cola pumped syrup directly from tank instead of plastic.
- Panasonic's 'Eco Ideas' to produce energy efficient products, to reduce CO₂ emissions across all their manufacturing sites and to spread awareness about the environmental activities through celebrity endorsers in India and all across the world.

Green Marketing Due to Governmental Pressure

Many governments all across the globe are also trying to contribute to

protect the environment. Governmental regulations relating to eco-marketing are designed to protect consumers in several ways : (1) reduce production of harmful goods or by-products; (2) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behaviour. In some cases governments try to induce final consumers to become more responsible.

Green Marketing Due to Competitive Pressure

As consumers are becoming more aware and environment conscious, many companies are forced to look after the environmental concerns to maintain their competitive position. In some instances, this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour. For example, it could be argued that Xerox's "Revive 100% Recycled Paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers.

Green Marketing Due to Cost or Profit Issues

Firms may also use green marketing in an attempt to address cost or profit-related issues. The firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced.

GREEN MARKETING INITIATIVES AS A SOCIAL RESPONSIBILITY

In order to protect the environment and to improve the quality of life, marketers need to pay attention to those issues that include conservation of natural resources, reducing environmental pollution and control of land use.

Lead Free Paints From Kansai Nerolac

Kansai Nerolac Paints Ltd., being a responsible corporate, has worked on removing hazardous heavy metals like lead, mercury and chromium from their paints which 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.

Philips India

Quote from Philips Global Site "At Philips we are in the unique position to link our brand heritage to the challenge of improving the quality of people lives. For us there was no difference between doing business and sustainable business. Putting people and their society at the center is inherent to our way of doing business". Sustainability is built into their heritage, values and their commitment to improve the quality of people's lives. Their journey to sustainability requires a breakthrough in thinking towards true innovation. In this way they can improve the quality of life around the world helping bring meaningful technology innovations to market at the right time.

Best Green IT Project : State Bank of India

By using eco and power-friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow. SBI is providing many services like paper less banking, no deposit slip, no withdrawal form and no money transactions. All these transactions are done through SBI shopping and ATM cards. SBI became the first Indian bank to harness wind energy through a 15- megawatt wind farm developed by Suzlon Energy. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank clients.

INTRODUCTION OF CNG

New Delhi, the Capital of India, got polluted at a very fast pace until Hon'ble Supreme Court of India ordered the Delhi Government to examine ways and means to reduce the pollution and also forced a change to alternate fuels . In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution. This put pressure on petroleum companies for launching clean fuels with low sulphur content and lead free petrol. Also the only CNG supply company INDRAPRASTHA GAS LTD had to increase its supply. The vehicles had to be manufactured with required alterations. This led to Delhi Transport Corporation becoming the largest CNG powered transport system in the country.

ITC Limited

ITC has strengthened its commitment to green technologies by introducing 'Ozone-treated elemental chlorine free' environmental - friendly papers and boards for the first time in India. ITC is also providing an opportunity to consumers to be

a partner in efforts to mitigate the adverse impact of climate change and create positive environmental footprints. It is also selling 'Classmate' notebooks which are also environment-friendly.

Toyota is trying to push gas / electric hybrid technology into much of its product line. It is also making the single largest R & D investment in the hydrogen car project and promoting itself as the first eco-friendly car company.

Tata Metaliks Limited (TML)

Every day is Environment Day at TML. It is one of the top green companies in India. The company has adopted a policy to discourage working on Saturdays at the corporate office. Employees follow the practice of switching off Lights during the day.

CHALLENGES AHEAD OF GREEN MARKETING

Although a large number of firms are practicing green marketing but there are a number of problems which need to be addressed while implementing Green marketing. The major challenges to Green marketing which have to be faced are:

New Concept : Indian literate and urban consumer is getting more aware about the merits of green products but it is still a new concept. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the people and that will take a lot of time and effort.

Cost Factor : Green marketing involves marketing of green products or services, green technology, green power/energy for which a lot of money has to be spent on R&D for their development which may lead to increased costs.

Sustainability : Since renewable and recyclable products and green technologies are more expensive, so initially the profits are very low. Green marketing will be successful only in long run. Hence the business needs to plan for long-term rather than short-term strategy and prepare for the same.

Non-Cooperation : The firms practicing green marketing have to strive hard in convincing the stakeholders and many a time it may fail to convince them about the long-term benefits of green marketing as compared to short-term expenses.

Patience : The marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is almost a new concept and idea, it will have its own acceptance period.

CONCLUSION

Environmental consciousness has been raised worldwide because of the

rising evidences of environmental problems. The increased pressure of environmental deterioration has forced the business houses to become socially responsible by developing products that meet the demand of environmentally conscious consumers. Green marketing is an initiative which is making a reasonable growth in the modern market. Rising customer expectations, desire for eco- friendly products, government pressure and changing phase of business environment at the global level, are several forces driving companies to practice a higher level of CSR. The concept of green consumerism and sustainable development are actively promoting the preservation and conservation of the natural environment. The firms using green marketing must ensure that their activities are not misleading to consumers or industry and do not breach any of the regulations or laws dealing with environmental marketing. Successful businesses should promote the interests of not only their shareholders but also keep in mind social responsibility programs that aims to serve the society. Green marketing assumes even more importance and relevance in developing countries like India and the green business is ultimately going to benefit the consumers with better products and thus help the society to save itself from pollution.

References

- Agarwal, Kriti; and Sharma, Pooja (2013), "The Altering Magnitude of Green Marketing : Indian Development", *International Journal of Emerging Research in Management and Technology*, Vol. 2, Issue-3, March http://www.ermt.net/docs/papers/Volume_2/issue_3_March2013/V2N3-119.pdf
- Anand, Prakash, Vijay (2013), "Green Marketing and Its Importance for Companies", *International Journal of Research in Commerce and Management*, Vol. No. 4, Issue No. 8, August.
- Biswas, Nigamananda (2009), "Green Marketing : Preferences and Paths?", *International Journal of Management Science*, Vol. 5, No. 2, December, pp. 92-99.
- Gupta, K., Ashwani; and Abbas, Shariq, S. M. (2013), "Green Marketing and Indian Consumer", *International Journal of Engineering Science and Innovative Technology (IJESIT)*, Volume 2, Issue 2, March http://www.ijesit.com/Volume%202/Issue%202/IJESIT201302_74.pdf
- John, Swati; Burbure, Pranita; and Pansare, Sarika, "A Study of Green Marketing and Corporate Social Responsibility in Context to Indian Companies", *International E-Journal of Ongoing Research in Management and IT*. <http://www.asmgroupp.edu.in/incon/publication/incon13-gen-015.pdf>
- Kiran, Uday, K. (2012), "Opportunity and Challenges of Green Marketing with special

- reference to Pune", *International Journal of Management and Social Sciences Research (IJMSSR)*, Volume 1, No. 1, <http://www.irjeournals.org/ijmssr/Oct2012/3.pdf>
- Labbai, Mohamed, M. (2007), "Social Responsibility and Ethics in Marketing", *International Marketing Conference on Marketing and Society*, 8-10 April <http://dspace.iimk.ac.in/bitstream/2259/392/1/17-27.pdf>
- Maheshwari, Aditya; and Malhotra, Gunjan (2011), "Green Marketing : A Study On Indian Youth", *International Journal of Management and Strategy (IJMS)* , Vol. II, Issue 3, July-Dec <http://www.facultyjournal.com>
- Mishra, Pavan; and Sharma, Payal (2010), "Green Marketing in India : Emerging Opportunities and Challenges", *Journal of Engineering Science and Management Education*, Vol. 3, pp. 9-14. <http://www.nitttrbhopal.org/journal/volume3/Pavan%20%20Mishra%20and%20Ms.%20Payal%20Sharma.pdf>
- Shrikanth, R.; and Raju, Narayana, Surya, D. (2012), "Contemporary Green Marketing- Brief Reference to Indian Scenario", *International Journal of Social Sciences & Interdisciplinary Research*, Vol. No. 1, January http://indianresearchjournals.com/pdf/IJSSIR/2012/January/4_IJSSIR_R%20SHRIKANT.pdf
- Thakar, Girish; Joshi, M., Nitin; and Chitale, A. K. (2009), "An Investigation of Customer Awareness with Reference to Green Marketing of Automobiles : An Empirical Study Conducted At Indore, Madhya Pradesh", *Indian Journal of Marketing*, Vol. XXXIX, pp. 11-21.
- Thakur, S. K.; and Gupta, Sweta (2012), "Exploration of Green Shift: Shift from Trendy Marketing to Environmental Friendly Green Marketing", *International Journal of Arts and Commerce*, Vol. 1, No. 7, December <http://www.ijac.org.uk/images/frontImages/gallery/Vol1no7december2012/11.pdf>
- Tyagi, Himani (2013), "Emerging Strategies of Green Marketing in India", *Bookman International Journal of Accounts, Economics & Business Management*, Vol. 2 No. 2, Apr-May-Jun www.bookmanjournals.com
- W. K., Sarwade; and Deshpande, Milind (2012), "Conceptual Development of Green Marketing in India", *Excel Journal of Engineering Technology and Management Science*, Vol. 1, No. 2, January - June <http://excelpublication.com/wp-content/uploads/2012/06/Dr.-Sarwade-Sir-Dr.-Milind.pdf>

