

**A STUDY OF SUSTAINABLE BUSINESS GROWTH WITH GREEN MARKETING STRATEGIES****Voice of Research**

Volume 1 Issue 3

December 2012

ISSN No. 2277-7733

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Abstract

Representing a visible and valid commitment to sustainability is particularly imperative because it is part of an urgent need to resume and construct trust from the public and other key stakeholders. Green marketing has become a discussed subject and companies are continuously trying to find the best ways to reach the customers with their green message. Customers are becoming more challenging and they have started to pay more attention to the environment. What is important with brands is how customers notice them, what the image of the brand is? Green marketing includes a variety of activities, i.e. modifications to products, changes to the production and distribution processes, packaging, and modifications to marketing communications. The aim of this study is to find out how strategic issues in green marketing are addressed by Companies. The discussion in this paper is based on secondary data available from different published and un-published source including internet sources which leads to convince the readers that, Green Marketing is not only possible but also it is sustainable as well as profitable from various angles to various stakeholder in the present scenario.

Key Words : Green Marketing, green message, organic, environmentally Friendly, Myopia

Back in the 1960s, trying to lead an environmentally conscious lifestyle, and especially integrating green into one's shopping, was a very fringe phenomenon. But it's now decidedly mainstream – and changing the rules of the marketing game in a very big way

Business leaders worldwide now examine sustainability as innermost to their businesses overall, believe that sustainability issues will be vital to the future success of their business. As Managers observe ever-greater links between business performance and their sustainability capabilities, it is clear that the environmental, social and governance issues at the spirit of a sustainability strategy are featuring higher on the managerial agenda.

Clearly Green marketing is a part and parcel of overall corporate strategy; along with manipulating the traditional marketing mix, it requires an understanding of public policy process. So, we can say green marketing covers a wide range of activities. According to J Polonkey "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurred with minimal detrimental impact on the natural environment." Green marketing involves developing and promoting products and services that satisfy customers' wants and desires for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

Evolution of Green Marketing : Green has gone mainstream because more people are worried about sustainability-related issues than ever before. Reflecting awareness that

has been steadily building over the past 20 years, the general public is beginning to comprehend the impact these issues will have on their lives now, and in the years ahead – and is starting to act.

First phase : "Ecological"

Second phase : "Environmental"

Third phase : "Sustainable"

Why Green Marketing ?

Historically, going green helped to unearth efficiencies that beefed up a company's bottom line. Under the new rules, businesses are discovering the even more attractive eco-opportunity for innovation that boosts top-line revenues. That's because green means doing things differently. Since early 1990s, a major concern on ecological impact of industrial house on environment has been surface put on marketplace. Not only the relation between human organization and natural environment being redefined, but also the implication thereof are being interpreted, because of these new perceptions are being formed or reevaluated on issues like environmental friendly products, recycle-ability, waste reduction, the cost associated with pollution and price value relationship of environmentalism. Pressure from various stakeholders, government, environmentalist, NGOs, consumers in placed on business, which in turn keeps them under constant and relentless watch in their daily operations. A direct result can be seen in developed and developing countries where government become stricter in imposing regulations to protect environment; at the same time the customers of these countries are being more and more outspoken



regarding their needs for environmentally friendly products, even though questions remain on their willingness to pay a higher premium for such products.

Green products offer mainstream benefits :

| Consumer benefits | Product category |
|---------------------------|------------------------------------|
| CFL light bulbs | save money, last longer |
| Hybrid cars | Quiet ride, fewer fill-ups, status |
| Natural cleaners | Safety, peace of mind |
| Organic produce | Safety, better taste |
| Recycled paper | save money |
| Car sharing | Convenience, save money |
| Solar-powered cell phones | extended use |

Reasons for Adoption of Green Marketing

- Corporate Social Responsibilities (CSR)
- Government Pressure
- Opportunities or Competitive Advantage
- Increased Customer awareness
- Deterioration of Climatic
- Competitive Pressure
- Cost or Profit Issues

Circumstances Organizations those develop new and improved products and services with environment inputs in mind give themselves right of entry to new markets, increase their profit sustainability, and enjoy competitive advantage over the companies which are not concerned for the environment.

Green Marketing MIX -Innovative Strategy for Corporate : The green market is not just here to stay; it will also grow and mature, evolving the rules of engagement even further. Knowing how best to cater to today’s green consumers will bring significant opportunities to grow your top-line sales and revenue growth and increase your market share among the fast-growing numbers of green consumers, as well as to save money, enhance employee morale, and recruit and retain the brightest minds. As we’ll

Product : The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effect son the environment. 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 waste and used environment friendly materials.

Price: Price is a serious and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is apperception of extra product value. This value maybe improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price. 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. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its “Bigblue Bag”.

Promotion : Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine. 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 every-elusive hydrogen car and promoting itself as the first eco-friendly car company. International business machines Corporation (IBM) has revealed a portfolio of green retail store technologies and services to help retailers improve energy efficiency in their IT operations. The centrepiece of this portfolio is the IBM SurePOS 700, appoint-of-sale system that, according to IBM, reduces power consumption by 36% or more. Green marketer can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers.

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 Marketing and Customer Satisfaction : Three ways to keep the customers satisfied as before or even more while adopting Green Marketing Strategies. In other words let’s have look at the strategies for avoiding “Green Marketing Myopia”.

1. **Consumer value positioning:** To design environmental friendly products to perform. To promote and deliver the consumer desired value of environmental products and target relevant consumer market segments. To broaden mainstream appeal by bundling consumer desired value into environmental products.
2. **Calibration of consumer Knowledge:** Educating consumers with marketing messages i.e. *“pesticide free product is healthier”, “energy efficiency saves money”, or “solar power is convenient”* To frame environmental product attributes as *“solutions” for consumer needs i.e. “rechargeable batteries offer longer performance”* Creating educational internet sites about Environmental product’s desired consumer value.



3. Credibility of product claims: Employing environmental product and consumer benefit claims that are specific, meaningful, unpretentious, and qualified. To procure product endorsements or eco certifications from trustworthy third parties, and educate consumers about this. Encouraging consumer evangelism via consumers' social and internet communication networks.

4. Consumer Environmental Segments

True blue greens (30%): True Blues are the environmental leaders and activists. They are characterized by a strong knowledge of environmental issues.

Greenback Greens (10%): Greenbacks do not have the time or leaning to behave wholly green. However, they are more likely to purchase green.

Sprouts (26%): Sprouts are environmental boundary marker sitters. They feel some environmental issues are worth supporting, but not others. They will purchase an environmentally conscious product, but only if it meets their needs.

Grouzers (15%): Grouzers believe that their individual behaviour cannot improve environmental conditions. They are generally uninvolved and disinterested in environmental issues.

Apathetic (18%): Apathetic are not concerned enough about the environment to do anything about it. They also believe that environmental indifference is main stream.

Challenges Ahead for Green Marketing and Sustainability : Majority of the people are not aware of green products and their uses. Majority of the consumers are not willing to pay a premium for green products. Green products require renewable and recyclable material, which is costly. Requires a technology, which requires huge investment in R & D. Water treatment technology, which is too costly.

Some Cases of Successful Green marketing strategies :

L&T: The cabins of all the executives are with *sensor electricity facility* i.e. if someone walks out of the corridor of the cabin then the lights are off automatically and vice versa. It has already discontinued the use of *ozone depleting* substances. The Company saves over more than *350, 000 liters of water a day* through "*zero discharge approach*" which basically involves water treatment and recycling for no potable purposes like gardening, horticulture etc. New product development is entirely focused on *innovation from an environment perspective*. It has adapted the *top-down as well as bottom-up approach* where an employee even in a lower position can **suggest for environment protection**.

Omfed : OMFED (Orissa State Cooperative Milk Producers' Federation) launched packets of milk with a message on energy conservation. Since, the milk producers cooperative body sells about 8 lakh packets per day, the initiative will convey a great message to the people including the children.

Cng In Delhi : When Hon'ble Supreme Court of India ordered the Delhi Government to examine ways and means to reduce pollution in Delhi, Hon'ble Court asked the Government to introduce clean fuel like **CNG in public transport system**. This put pressure on petroleum companies for launching clean fuels with low sulphur content and leads free petrol. Also the only CNG supply company **INDRAPRASTHA GAS LTD** had to increase its supply. The vehicles had to be made with required alterations. This led to Delhi Transport Corporation becoming the largest CNG powered transport system in the country. This growing concern for the environment leads to the development in oil and gas exploration, refining and marketing. It also spurred development in the automobile sector which manufactured vehicles that could run on CNG fuels. Also the vehicles have to confirm to pollution control norms as laid down by the government like **Bharat -III, Ero-II**.

Surf Excel: Some kids in Mumbai's Bainganwadi slums are grateful to Surf Excel, the Rs 485Cr brand which introduces a feel good marketing campaign-The Surf Excel 10/10 drive.? It is found that, the Surf Excel buyers in the four cities of Mumbai, Delhi, Bangalore and Kolkata SM Sing an amount to HLL (now HUL).The company in turn donates that amount to an NGO that was involved in educating underprivileged children.

Ponds Cold Cream : The Rs.355Cr brand Ponds of HLL, tied up with United Nations Development fund for women. For every flap of ponds cold cream mailed by the consumers, the company would contribute Rs 2 to the fund to fight domestic violence. Even though the proportion ad spends from its Rs1000Cr advertising and promotion budget have been minimal, HLL says most of its brands will look for long term strategic linkage with social causes.

ITC: Here another difference to note, Corporate Social Responsibility (CSR) is being used to build individual brands rather than the corporate brand. A case in point is the Rs 16,000 Cr ITC; those ran their CSR campaigns, about putting India first for its e-choupal initiative two years back. Cut to the present the company has linked the **Sun feast brand** to its *social forestry campaign*, where the company chips in with 25paise for every pack of Sun feast biscuit and Pasta sold and consumers to buy the Atta brand, Aashirvaad, contributed towards **ITC's rain harvesting campaign**. Divisional Chief Executive of ITC Mr. Ravi Naware says "consumers like to connect with the brand, if the brand is seen socially responsible brand then consumer get an emotional connect that far beyond just usage of the brand and consuming it. It is this higher level of connect that we are attempting to create through this campaign."

TATA Salt: Very recently Tata has launched a campaign through T.V. advertising that if one will purchase Tata salt, a significant percent of profit per pack would be contributed towards the education of unprivileged children of the slams.



Maruti : Maruti has reduced its electricity consumption per vehicle by 20 per cent in the last 9

Years, water consumption by 46 per cent, and landfill waste by 67 per cent

Ntpc : 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

Philips : PHILIPS developed Compact Fluorescent Light (CFL) that consumes less electricity and radiates less heat as well.

McDonald : McDonald's restaurant's napkins, bags are made of recycled paper.

Cocacola : Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.

Indian Oil Corporation: Barauni refinery of IOC has taken steps for restricting air and water pollutants.

Conclusion: Communicating a company's embrace of sustainability can enhance corporate equity since investors seek to reduce risk and many "socially responsible" investors want to align their values with their savings. Green touches the lives of all people around the globe. Businesses cater to myriad stakeholders, including customers, investors, and employees. The condition of the environment is expected to worsen in the years and decades ahead. Marketers need to understand the implications of green marketing. If marketers think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, then they should think again. Although, Green Marketing Myopia is another challenge before the marketers, it is the fundamental responsibility of

the Marketers to innovate and adopt new marketing strategies those would safeguard our eco system as well as satisfy the customers. Expect the genuine value-added benefits of superior performance, convenience, costing, and increased health and safety to continue to propel the mass market for eco-inspired products in the years and decades ahead. Green marketing should not neglect the economic aspect of marketing. Many of the uncountable daily messages and images that fan the mainstream consumer's green lifestyle are supported behind the scenes by the Environmental Media Association

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