

# ENVIRONMENTAL SUSTAINABILITY THROUGH GREEN MARKETING ORIENTATION

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## ABSTRACT

Competitive pressures and customer expectations have led the companies to continuously strive to provide better and attractive offers to customers. In order to deliver competitive products and services, companies sometimes adopt certain strategies that may not be environmentally sustainable. But increasing awareness regarding existing and potential environmental issues have made the companies embrace sustainability and green marketing practices. Green marketing includes an extensive range of activities including – product /process modification, packaging modification, sustainable logistics, modification of advertising etc in a manner that is more favorable to the environment. In this paper the main emphasis has been on understanding the concept and strategies of green marketing and its impact on sustainability of the environment and society. The authors also attempt to list the various factors that form a consumer's attitude towards green products. This paper has also attempted to focus on the actions taken by various companies in this aspect. Some companies are trying to maintain equilibrium between their growth objectives and the need to achieve sustainability. In order to attain higher ecological sustainability and viability, the companies need to understand and implement effective green marketing strategies to meet the challenges of the environment and the society.

**KEYWORDS:** Green Marketing Orientation, Environmental Sustainability, Green Products, Consumer Attitude

Businesses regularly review the latest marketing trends by continually researching about the behaviour of consumers and thereby modifying their market offerings. Today, consumers have become more concerned about the impact of product/services uses on the environment due to visible environmental changes such as global warming, non-degradable solid waste and rapidly increasing pollution. Therefore, the phenomenon of green marketing has emerged as a vital concept worldwide. Use of green marketing strategy helps the organizations – to meet the expectations of consumers; attend to environmental concerns; and gain competitive advantage.

Green Marketing is the marketing of products that are presumed to be environmentally safe (according to American Marketing Association). It includes activities such as product and/or process modification, changes in packaging, changes in advertising or any other activity in order to lessen or eliminate the harmful impact on environment. Researchers have used various labels such as ecological marketing, green marketing, greener marketing, environmental marketing, enviropreneurial marketing and sustainable marketing.

Bhatia and Jain (2013) discusses about National Geographic Society's "Consumer Greendex" i.e. consumers attitude towards green practices whereby developing economies like India, Brazil and China have the top scoring consumers as compared to the developed economies which are ranked at the bottom.

## OBJECTIVES

This paper attempts:

1) To understand the concepts of green marketing and discuss why green marketing is important;

2) To evaluate the actions and strategies of various companies in this context;

3) To find the various factors that forms a consumer's attitude towards green products.

## GREEN MARKETING: UNDERSTANDING THE CONCEPT

Green Marketing focuses on the exchange process with a provision that exchange considers and minimizes environmental harm. Its purpose is to bring a transformative change that creates value for individuals, society and the natural environment.

Green Marketing gained prominence in late 1980s and 90s after the first workshop on "Ecological Marketing" held in Austin, Texas (USA) in 1975. A number of books, research papers and articles on green marketing began to publish thereafter. Marketing contexts examined the concepts and practices of green marketing as well as the interface between natural environment and consumer behavior, marketing strategy, public policy initiatives and macro marketing.

Green Products are the products manufactured by means of green technology and cause no environmental hazard. Use and promotion of green products is a positive step towards conservation of natural resources and sustainable environment. Products with following properties can be termed as green products: (i) Recyclable, (ii) Reusable, (iii) Biodegradable, (iv) Non-toxic, (v) Energy Efficient, (vi) Water Efficient, (vii) Containing natural ingredients, (viii) Does not harm or pollute the environment, (ix) Not tested on animals, (x) Has eco-friendly packaging.

Green marketing offers business an opportunity to achieve their objectives of top and bottom line growth. Practicing Green Marketing has long term implications. Although start-up cost is involved in the modification of business or production processes, the companies will save money in the long term. For example the cost of installing wind/solar/water energy is an investment in energy cost savings for the future. Companies developing new and improved products and services in view of environmental impact have better access to new markets and considerably increased profits. The companies can enjoy competitive advantages over those marketing non-environmentally responsible alternatives. Governmental bodies and pressure from competitor firms are forcing the companies to become more socially and environmentally responsible.

Figure 1 indicates the differences between Traditional Marketing & Green Marketing in terms of the parties involved in exchange, objectives, corporate responsibility, reach of marketing decisions, ecological demands and green pressure groups.



**Figure 1: Traditional Marketing vs. Green Marketing**

Source: Eneizan et al (2016)

## GREEN MARKETING STRATEGIES ADOPTED BY COMPANIES

From the last two decades, green marketing strategy has gained a significant attention. It is featured by innovation and technology solutions to meet environmental as well as organizational needs. Green marketing is facilitated by an organisation’s internal as well as external policies. Also, transformational leadership style has a positive impact on building and executing the green strategy.

Although firms differ in terms of their degree of adopting green marketing strategies, but green/environmental orientation has certainly become the issue of consideration for almost every industry.

As per Jacquelyn Ottman, an organization can follow these five rules to take an advantage of green opportunities:

1. Know your customer (Organization should ensure that the consumer is aware of and concerned about the issues that your product attempts to address)
2. Empower consumers (Organizations should make their consumers feel that they can make a difference by using green products)
3. Be transparent (Consumers must believe in the legitimacy of your product)
4. Reassure the buyer (There should be no compromise on product quality with introduction of environmental aspect)
5. Consider your pricing (Organizations should ensure that consumers can afford the premium and feel it's worth it)

Table 1 illustrates the green strategies of some of the companies which have included green approach as a part of their socially responsible and sustainable development strategy. These companies believe that organization’s success is intrinsically linked to sustainable development.

**Table 1: Green Strategies adopted by Companies**

Company Name	Green Strategies	Description
State Bank of India	Green IT @ SBI	<ul style="list-style-type: none"> <li>• Paper less banking, no deposit slip/ withdrawal form/cheques, transactions through SBI shopping &amp; ATM cards</li> <li>• First Indian bank to produce wind energy through A15-megawatt wind farm developed by Suzlon Energy</li> </ul>
Kansai Nerolac Paints Ltd.	Lead Free Paints	<ul style="list-style-type: none"> <li>• Has worked on removing hazardous heavy metals like lead, mercury, chromium, arsenic and antimony from their paints</li> </ul>
Indian Oil	Green Agenda	<ul style="list-style-type: none"> <li>• Invested about Rs. 7,000 crore in green fuel projects</li> <li>• R&amp;D Centre engaged in eco-friendly biodegradable lube formulations</li> <li>• Certified under ISO-14000:1996 for environment management systems</li> </ul>
Wipro Infotech	Wipro's Green Machines	<ul style="list-style-type: none"> <li>• Wipro Greenware – producing environment friendly computer peripherals</li> <li>• Products RoHS (Restriction of Hazardous Substances) compliant, reducing e-waste in the environment</li> </ul>
Tata	Going Green	<ul style="list-style-type: none"> <li>• Introduced an innovative Biogas-based power plant at Taj Green Cove in Kovalam which use the waste generated at the hotel to meet its cooking requirements</li> <li>• Manufactured an electric car Indica EV that will run on polymer lithium ion batteries</li> </ul>
ITC	ITC Green	<ul style="list-style-type: none"> <li>• Carbon positive, water positive, solid water recycling, e-choupal, sustainable community development</li> </ul>
HCL	HCL ecosafe	<ul style="list-style-type: none"> <li>• Integration of environmental management procedures and business process</li> <li>• Recycling of used products</li> </ul>
McDonalds	Best of Green	<ul style="list-style-type: none"> <li>• Works in close collaboration with PETA on systematically reforming its business practices to be more humane and friendly to the environment in which they operate</li> <li>• Napkins and bags made of recycled paper</li> </ul>
Coca-Cola	Coca-Cola's Green Strategy	<ul style="list-style-type: none"> <li>• Formulated 3 environmental goals: water stewardship, sustainable packaging, and climate &amp; energy protection.</li> </ul>
Toyota	Toyota Green Innovation	<ul style="list-style-type: none"> <li>• Introduced 'Prius', the world's first mass-market hybrid vehicle which is now sold in over 40 countries and is ranked as the third least carbon-emitting auto in the country.</li> </ul>

## CONSUMER ATTITUDE TOWARDS GREEN PRODUCTS

Many consumers prefer to choose products that do not damage the environment, even if they cost more. However, consumer purchasing behavior is influenced by many factors such as personal, psychological and social. Personal factors are unique to individual consumer including the demographic factors like gender, race and age. Personal factors greatly affect the decision-making especially because risks and utility are also very individualistic. Psychological factors include motives, perception, ability and knowledge, attitudes, personality and lifestyles.

Social factors, finally, affect the consumer cognition via opinion leaders, roles and family influences, reference groups, social class and culture and sub-culture. Green and products attributes play a vital role in product development and also are major factors that determine consumers' wants, needs and demands. The level of knowledge, attitudes, values and practices have impact on the quality of environment. Attitude is one of the most important factors in predicting consumers' willingness to pay for green products. This means that price is not a factor in preventing consumers from purchasing green products if they are pro-environment. Some scholars believe that consumers are willing to pay premiums for green products because consumers often prioritize green

attributes over traditional product attributes such as price and quality. It is worth studying whether consumers regard greenness of products or firms as 'hygiene' or 'motivating' factors, and to what extent green products create social benefits but impose private costs.

Environmentally-aware consumer has become ethically aware and is joined by many other consumers who believe in the principles of fair trade. The increasingly well-informed consumer is not only demanding fairly traded products, but is challenging manufacturers and retailers to guarantee the ethical claims they are making about their products.

As far as Indian consumers are concerned, consumer suspicion of greenness and perceived quality has been observed. Therefore green marketers in India should carry out heavy promotional campaigns. This is very important as the Indian consumers are in general price sensitive and green products are costlier. If they are not convinced with the quality of the green products, they remain suspicious and will not be willing to pay premium.

#### **Environmental Sustainability & Green Marketing**

Environmental sustainability aims to meet human resource requirements while preserving the environment such that future generations are also able to meet their needs. It does not merely aim to protect the world's resources but also control them. Therefore, the business strategies ensuring environmental sustainability have taken the shape of Green Marketing.

Today, we are facing several environmental challenges such as changes in the composition of the atmosphere; depletion of the protective ozone layer; soil degradation and increased desertification; increased air and water pollution; reduction in the availability of fresh water; and increasing depletion of physical and natural resources. In order to achieve this difficult task of sustainability companies need to make extreme changes in their research and development, production, financial, and marketing practices. Sustainability-driven companies need to pioneer new standards to direct their green product development programs, emphasize on reusing and recycling, and encourage all stakeholders (employees, suppliers, investors) to accept these difficult changes.

Although some companies have understood the importance of transforming and aligning their business strategies with environmental good, but still the environmental sustainability strategies do not form the major component of the overall business mission. Companies need to acknowledge the resource limitations

and renovate the marketing practices to be more and more social and environmentally responsible.

#### **CONCLUSION**

Green Marketing is a source for both environmental sustainability and gaining competitive advantage. If made a part of strategic context of business, green marketing can help attaining sustainable growth and development as well as gaining larger market share with its environmental friendly green products.

Scope of further research on green marketing in nations like India is massive, since people are well aware of the prospects of going green and also have positive attitude towards it.

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