

Changing Dimensions Of Promotional Strategies Of Indian Corporate Towards Green Marketing

Dr. Shrikant N. Dhage,

Associate Professor & I/c Director, D. B. Institute of Management & Research,
Mahalangra, Tq. Chakur, Dist. Latur, Maharashtra, India.

Abstract

Environment protection is now a general concern which has penetrated into every field of business application. Realizing the fact, organizations have ingrained general ecological principles into their operations, marketing and interaction with the world at large. Environmentalists have also observed that consumers across the world are increasingly concerned about the environment and are aware of issues such as global warming. This shift in perception has encouraged to some and compelled other organizations to respond to these concerns with environment friendly products and packaging and thus prove and establish themselves as responsible corporate citizens.

From 2005 onwards we can witness a shift in promotional strategy towards green marketing. The basic assumption for adopting green marketing strategy is that the perspective consumer will view products or service's Greenness as an extra value addition & will base their purchase accordingly.

World-wide evidence indicates that people are becoming concerned about the environment and are changing their behavior accordingly. As a result, there is a growing market for sustainable, eco friendly and socially responsible products and services. When all else is equal – quality, price, performance and availability – environmental benefit will most likely tip the balance in favor of a product. For a better understanding of all these concepts, it requires an in depth study of Green Marketing (GM) and the role played by corporate in framing the promotional strategy towards green marketing.

Introduction

Green Marketing is the marketing of products that are presumed environmentally safe. Customer orientation is achieved by making the consumers for that product feel that by buying the product, he is fulfilling his obligations towards a cleaner or greener or biologically better environment.

Defining Green Marketing or social concern driven marketing is not a simple task where several meanings intersect and contradict each other. However, 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 environment.

Green marketing refers to the process of selling products/services based on environmental benefits. Such a product/service

may be **environmental friendly** or produced /packaged in environmental friendly way. For example, in India we have cellular company **Idea**, promoting green strategy, where its brand ambassador resembling a banyan tree (Abhishek Bachhan) & having a tagline 'what an idea, Sirji'. Also **Aircel** is showing tiger conservation for promoting its service. We have more & more companies using the green marketing strategies to promote their product, with obvious assumption is that the consumer will back their environmental consciousness for purchasing product/service. While harm to ozone layer, global warming, non biodegradable solid waste, harmful impact of pollutions has agitated the minds world over, in India, people have seen flash floods, cloud bursts in Leh, Land slides in Himalayas and Konkan, depletion in water table (ground water) in large parts of the country, errant weather resulting in

unseasoned rains as well as scanty rains, damage to people, crops and wildlife due to pollution, all attributable to environmental factors. Environment therefore concerns all and the growing awareness in this regard is capitalized by organizations to reach out to their clientele and also to fulfill their social responsibilities. The paper will discuss the issue and detail the green marketing initiatives in the Indian context.

Objectives Of The Present Paper

The important objectives of the present paper which covers green marketing as a corporate social responsibility are:

1. To know the concept green marketing.
2. To know the green mix and change in marketing strategies.
3. To understand the changing dimensions of green marketing in India and adoption of promotional strategies for green marketing by corporate.

What Is The Need Of Green Marketing?

It is really scary to read these pieces of information reported in the Times recently; "Air Pollution damage to people, crops and wild-life in the US totals to tens of Billions of Dollars each year". More than 12 other studies in the US, Brazil, Europe, Mexico, South Korea and Taiwan have established links between air pollutants and low birth weights, premature birth, still birth and infant death. There is growing interest among consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

As resources are limited and human wants are unlimited, it is important for marketers to use the resources efficiently without waste and achieve the organization's objective. Hence green marketing is inevitable.

Reasons Due To Which The Firms Using Green Marketing

In today's information explosive world, environment concerns all. There is therefore an Overwhelming urge on the part of consumers to do something to protect the environment, and the suggestion by marketers to buy their products which help either to protect the environment or reduce damage to the environment has highest appeal among the consumers. Apart from this the following reasons make green marketing the right thing to do:

1. Organizations perceive green marketing to be an opportunity that can be used to achieve their business and social objectives.
2. Organizations believe they have a moral obligation to be socially more responsible.
3. Governments are forcing organizations to be more responsible, reduce pollution, adopt alternate energy source and manage affluent besides encouraging use of biodegradable materials. Governments also ban the production of products that are health hazard.; and
4. Increasing consumer awareness and role of NGOs.
5. Competitors green marketing activities pressure organizations to adopt it themselves.
6. Cost factors associated with waste disposal or reduction in material usage.

In India, around 25% of the consumers prefer environment-friendly products and around 28% may be considered health conscious. These provide green marketers a diverse and sizable segment to cater to. The Government Tax Policies which grant concessions or no excise duty on products that are herbal, medicinal, biodegradable, and hand-made instead of machine-made to promote green marketing. The companies venture into green marketing owing to the Opportunity, Government incentives, competitive pressure, and social responsibility and brand image that occurs from the same.

Changing Dimensions Of Green Marketing In India

The concept of ecology as social concern itself is of recent origin the world over and so also in India. The last two decades, however have brought about paradigm shift and today environmental aspects are the single largest common concern whether it is for building a second Airport at Mumbai or establishing an aluminum mega plant in Chattisgarh or commissioning 3000 MW nuclear power plant at Kaiga (Karnataka) or granting mining licenses near Sariska (Rajasthan). Marketing is riding this wave of social concern. India has recently seen cloud-bursts in Leh, landslides in Rohtang Pass, Nainital and Sahyadri, depletion of water table in large parts of the country, errant weather resulting in unseasoned rains in some parts (Which washed away two one-day matches against Australia) and scanty rains in Chirapunji which have affected people, crops and wild-life. This has put a scare in the minds of people and they are keen to do something for environment or refrain from doing anything that will hurt the environment. This factor is used by marketers to project that the consumer who buys their product does something positive to green the planet or buying their product prevents further degradation of the environment.

Terms In Green Marketing

A]Green Washing/Green Sheen

Green washing (a portmanteau of "green" and "whitewash") is a term describing the deceptive use of green PR or green marketing in order to promote a misleading perception that a company's policies or products (such as goods or services) are environmentally friendly. The term green sheen has similarly been used to describe organizations that attempt to show that they are adopting practices beneficial to the environment.

B] Green Hosting

Green or Eco-friendly website hosting is a recent addition to the field of website hosting which involves a given website hosting company attempting to prove that they are not having any

negative impact on the environment in an attempt to attract consumers.

C] Green Marketing Myopia

Green marketing must satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed as green marketing myopia.

D] Eco-Labeling

Marketers use eco-labels to convey information about a product's environmental benefits and to differentiate among competing products. Eco-labels may identify a product's contents, e.g. the triangular arrangement of arrows on recycled paper and plastic products, or highlight other benefits, e.g., reduced water usage or increased energy efficiency.

E] Eco-Sponsoring

An avenue for companies to promote their ecological concern is to affiliate themselves with groups or projects engaged in environmental improvements. In its simplest form, firms contribute funds directly to an environmental organization to further the organization's objectives.

F] Green Technology

Environmental technology or green technology or clean technology is the application of the environmental science and green chemistry to conserve the natural environment and resources and to curb the negative impacts of human involvement. India is a world leader in green IT potential, according to a recently released global enterprise survey. Indian respondents scored over respondents from 10 other countries in expecting to pay 5% or more for green technology if its benefits for the environment and return on investment (ROI) are proven in a survey conducted by Green Factor, which researches and highlights green marketing opportunities. Among the companies that have succeeded thus far in their green marketing strategies are Apple, HP, Microsoft, IBM, Intel, Sony and Dell.

Marketing Strategies Adopted For Green Marketing – Change In Pattern

Government of India has led by example in greening efforts with the single important step of clean fuel in the seventies when we saw advertisements on the nascent TV to adopt cooking gas in place of Kerosene, which was followed over the years by regulating fuel efficiency of motor vehicles and laying

timeframe on manufacturers to adopt Euro I, II, and III standards which correspond to Bharat I, II and III. The deadline and strict implementation of CNG in commercial vehicles and buses in Delhi was another significant step which demonstrated the resolve and concern of the Government. In the private sector, Coca-Cola, Tata group, Colgate Palmolive, ITC have invested large sums of money in various recycling activities as well as modified their packaging to minimize their environmental impact. It may be said to their credit that they have not used this brazenly as a marketing tool, but it cannot be denied that their demonstrated social concern has greatly enhanced their image and strengthened their brands.

When companies come up with new innovations like eco friendly products, they can access new markets, enhance their market share and increase profits. Just as we have 4-Ps, Product, Price, Place and Promotion in marketing, we have 4Ps in green marketing too but they are a bit different, given the fact that the Promotion occupies center stage and two more Ps namely People and Planet are added.

Change In Marketing Mix -Now It Is Green Mix

Greener Product: There is no widespread agreement on what exactly makes a product green. Some general guidelines include that a green product

- does not present a health hazard to people or animals;
- is relatively efficient in its use of resources during manufacture, use, and disposal;
- does not incorporate materials derived from endangered species or threatened environments;
- does not contribute to excessive waste in its use or packaging; and
- does not rely on unnecessary use of or cruelty to animals.

The Products have to be developed on the needs of the consumers who prefer environment friendly products. Products can be made from recycled materials or used goods.

For example NIKE is marketing its Air Jordan shoes environment friendly as it has significantly reduced the use of glue adhesives.

Greener Pricing: A central concern of many environmentalists is that product prices do not reflect total environmental costs. Waste disposal costs, for instance, are frequently incurred on a fixed-fee basis, regardless of how much waste is actually generated. Greener pricing decisions are based on the premise that goods and services associated with greater environmental damage should cost more. Green pricing should take into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Green Pricing takes into consideration, the people and planet along with the profit in such a way that it prices the product to cover the expenses on green ingredients as well as people's health and environment. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag".

Greener Distribution: Logistics and transportation costs are coming under greater scrutiny due to rising fuel prices, congested highways, and global-warming concerns. Package redesign for lighter weight and/or greater recyclables reduces waste while simultaneously reducing costs. Green Place is about managing logistics to cut down on transportation emissions, there by in effect aiming at reducing the carbon footprint: For example, marketing an imported mango drink brand can be carried out by licensing local production there by avoiding shipping and transporting costs and consequent emission and pollution. Most of the reputed brands of drinks do this.

Greener Promotion: Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations all proclaiming the environment-friendly product or process by keeping people, planet and profits in mind. We see the names of retail outlets like

Reliance Fresh, Heritage Fresh, etc. which while selling fresh vegetables and fruits, transmit an innate communication of green marketing. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps, the battery-powered Reva car, etc. ITC has introduced environment friendly papers and boards which are free of chlorine. Toyota is pushing its electricity and gas-based hybrid car, we also see signboards like Fresh & Desi to cite a few.

Thus a green marketer, by leveraging on social concern can attract customers on the basis of performance, savings, health, convenience or just plain environment harmlessness to a wide range of customers. Consumer awareness can be created by spreading the message about the benefits of environment friendly product. Positioning the product like- CFL bulbs or the battery operated Reva car can take the market by storm.

Change In Promotion Strategy

The theme of Hello Zindagi, which released in March this year is the need for conserving Olive Ridley Turtles, which is an unusual theme for a Bollywood commercial, but what makes it unique is that it has been sponsored by India's largest steel maker, Tata Steels. This is not surprising considering that the company is facing charges of environment pollution and degradation, and claim of environmental groups that their development of Dhamra port in Orissa will be a threat to ridley turtles, which the company vehemently denies.

In their campaign "Planet ke rakhwale" mobile handset major encouraged its consumers to drop their unused mobiles and chargers irrespective of brands for recycling. Idea cellular that is actively advertising in the media on environmental and tree saving issues, has tied up with coffee outlets to do away with paper based menu and bills. Their unique mobile application will display these on the mobile screen. What an idea sirji!

Lifebuoy lives on its vision of making a billion Indians safe and secure by meeting all their health and hygiene needs. It goes without saying that their soap is a part of the deal. Their Swasthya Chetna is an awareness programme on health and hygiene. Aircel is showing tiger conservation for promoting its service. Same is the case with Surf Excel which proclaims "Do bucket pani bachana hai" with surf excel of course.

Hurdles With Going Green

As we can witness, already a large number of firms are using green marketing, there are few potential problems which need to be addressed. Thank fully these are controllable issues and can be taken care by the company right from the stage of planning for green marketing. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry and do not breach any of the regulations or laws dealing with environmental marketing and they should clearly explain the environmental benefits and how they are achieved. And in the view point of customers, green marketing may pose huge danger for organization if they get it wrong because of following facts:

1. Majority of the customers may choose to satisfy their personal needs before caring for the environment.
2. Overemphasizing greenness rather than customer needs can prove devastating for a product.
3. Many customers may keep away from products labeled "green" as they may see such labeling as marketing gimmick, and they may lose trust in an organization that suddenly claims to be green.
4. Green products require renewable and recyclable material, which is costly.
5. Requires a technology, which requires huge investment in R & D.
6. Majority of the people are not aware of green products and their uses and they may not be willing to pay a premium for green products.

Furthermore, as many firms have tried to modify their products due to increased consumer concern, are misled with the fact that consumers' perceptions are always correct. Take for example the McDonald's case where it replaced its clam shells with plastic coated paper. There is ongoing scientific debate as which is more environmentally friendly? Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case, McDonald's bow to consumer pressure, has chosen the more environmentally harmful option.

Conclusion

Green marketing covers more than a firm's marketing claims. While firms are bearing much of the accountability for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. One example of this is where McDonald's is often answerable for polluting the environment because much of their packaging finishes up as roadside waste. It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone. It appears that consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government. Ultimately green marketing requires that consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution.

A clever marketer is one who not only convinces the consumer but also involves the consumer in marketing his product. Green Marketing should not be considered as just

another approach to marketing, but has to be pursued with much greater vigor as it has environmental and social dimension to it. With the threat of global warming, and impairment to ozone cover looming large; it is extremely important that green marketing becomes the norm rather than an exception or just a fad.

Recycling of paper, metals, plastics, etc in a safe and environmentally friendly manner should become much more systematized and universal. It has to become the general norm to use eco friendly energy efficient and bio degradable products. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non green products. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize efforts on minimizing the negative impacts on the environment. Green Marketing assumes even more importance in a vast and highly populated country like India which is rapidly heading towards consumerism.

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