

It's Time To Go Green With Pride : A Conceptual Study Of Green Marketing

* *Raji Parameshwaran Pillai*

ABSTRACT

Purpose: The purpose of the paper is to discuss the subject of 'concern for the environment' in depth and to discuss how each one of us can contribute towards conservation of ecology. The paper aims to find out how the concern can be brought to the notice of the people who can bring in the much needed change, to look into the hurdles in way of effective implementation of the 'going green' campaign, to highlight the responsibility of change makers like the marketers, the consumers and the corporate bodies towards 'going green'.

Methodology/Approach: The paper studies the components of green marketing theory. The paper studies the theory presented by the researchers in the field of ecological management, which includes green marketing, eco-friendly products, ecological processes.

Time frame: The research study was conducted during the period of November 2011 to April 2012.

Value: The paper concludes with a set of action steps that need to be taken to inculcate the concern for ecology by bringing in a sense of becoming a valuable conservator of ecology.

Keywords: Resources, Environment, Ecology, Going Green, Conserver

INTRODUCTION

"Thinking Green"- deriving the meaning of the phrase gives a large horizon within which each one has a role to play. Here, the role played by the government, the corporates, and the individual buyers becomes very important. Thus, the need is to raise this question not only to one self, but also to others who can create a difference - like the business community, which is a giant body playing a significant role as a contributor in various aspects, by manufacturing and rendering the products and services for us to be consumed. During the process of developing and rendering the products to us, the manufacturers interact with nature and ecology at various stages. Thus, it becomes very important to evaluate the balance of give and take with our ecology; especially when we are continuously taking in abundance and are not giving back considerably.

Discussing the role of the corporates, the focus should be laid on their efforts towards 'going green' to make earth a better planet to live in. This not only means that they are *redesigning an eco-friendly system*, but are also presenting an *eco-friendly product* to the market; in a way, the objective is to focus upon pollution control and eco-friendly technologies. This consciousness is developing acceptably among the consumers too, which is leading towards a kind of eco-friendly consumer class. Right from the stage when a product design is thought of, to the stage when the product is manufactured and marketed, companies should not neglect the ecosystem. In the West, companies do face social and legal pressure to adopt eco-friendly business strategies. Thus, making the company more competitively placed in the industry and finding a higher place as a 'good corporate performer'. The companies cannot ignore the impact of 'Green Marketing', which is an important development in the context of emerging economies in the world, specifically in Asia. By adopting resource conserving and environmentally-friendly strategies in all the stages of the value chain, the firms can satisfy the growing environmental concerns of humanity.

THE GREEN SIGNAL: A MUCH NEEDED START

In the words of Peattie (1995), Green Marketing is "the holistic management process responsible for identifying and satisfying the requirements of customers and society, in a profitable and sustainable way". The definition makes it clear that green marketing is not just one of the processes of marketing activities; it is a larger picture which talks about developing and sustaining consumers' eco-friendly attitudes and behaviors. Green marketing is a collection of activities, which includes undertaking market analysis to identify the market for green products and ideas, studying consumers' green attitudes and behaviors, dividing the green market into different segments based on consumers'

* Assistant Professor, L. J. Institute of Management Studies, L J Campus, Between Sarkhej Circle and Kataria Motors, S G Road, Ahmedabad-382210, Gujarat. E-mail: rajibhavsar@gmail.com

perception and keenness towards greenness, developing a green positioning strategy and evolving a green marketing mix programme (Jain and Kaur, 2003b).

Environmentalism has become a buzzword today, thanks to the mounting awareness movements, and media exposure given to environmental hazards, a sense of realization and a feeling of 'I prefer eco-friendly products' is seen among the consumers. Needless to say that the previously mentioned notion and growing environmental legislations are forcing business firms as well to sit and think of turning green. In 2006/7, ₹ 500 million was spent on advertising containing the words 'carbon', 'environmental', 'emissions' or 'recycle' - 40 times more than in 2003, according to Admap, UK.

WHY IS 'GOING GREEN' SO IMPORTANT FOR COMPANIES ACROSS THE WORLD?

'Thinking Green' is not a new concept. Business firms had started embracing what has come to be known as '*corporate environmentalism*' - green manufacturing facilities, processes and green marketing strategies. They have come a long way from being simply '*business friendly*' to becoming '*consumer friendly*' and today, they have even become '*environmentally caring*' too. Consumers too have become more ecologically conscious and have started demanding green products, giving rise to a movement which has been dubbed as '*green consumerism*'. In a way, consumers are casting their vote in the form of the money they pay by purchasing eco-friendly products. Markets are today flush with environment-friendly products that are resource conserving, energy saving, biodegradable, and recyclable. In the developed countries, retailers have also emerged as ecological gatekeepers (Hansen, 1992) because of their legal liability to take back bottles and other empty containers from their customers. The *reverse distribution* not only adds to their distribution costs, but it also increases their workload.

Furthermore, to mention that 'going green' is fast becoming a vital part of any company's CSR, wherein, if the company is not contributing through process and product methodology, the company's CSR activities may be directed towards environment conservation.

THE NEED FOR CHANGE IN INDIA: HAS IT BEEN ACCEPTED?

Though the green trend is more discernible in the developed countries, it has slowly started gaining ground in the developing countries as well. In India too, concern for the environment has considerably heightened in recent years, and this is evident from the increasing enactment of environmental legislations and judicial activism. The concept of recycling is not new for India. We still hear '*pastiwallas*', '*baltiwallas*' and '*raddiwallas*' calling down the lane, giving money for useless and old newspapers and plastic materials which the households stock up at backyards to give away to these 'recycling agents'. We still reuse plastic containers, bags, bottles in our day to day life. We still prefer to buy some commodities in loose, saving the cost at our end, and also at the other end, saving the cost of packaging material. Having mentioned earlier, there is still a long way to go green. It has been observed that marketers in India are still not considering a product's association with ecological concepts as an encashing option. The reason can be that the Indian market is not yet as sophisticated as the western country markets are in terms of eco-branding and eco-products. However, this statement may be misleading, looking into the deep-rooted culture of recycling and growing environmental movement in India. There is still a huge distance to be covered in terms of the gap between acceptance of eco-friendly policies and incorporating the same in the communication messages to its consumers. This distance needs to be strategically covered. It's like 'I know this is good for me and for my globe, but what difference will I only make'. Thus, it becomes important to associate the '*Goodness for me*' feeling with the purchase decision of a consumer. The 'goodness for me' concept is seen to be very successful in the organic food market in India, where people buy organic food because it's good for *their* health and not because it is an ecological product. Urban India is aware of the issue, but may find it very tedious to take decisions relating to their lifestyle and choices, and on the other end, rural India, which is more ecology concerned, may be more concerned about the basic availability than about how they contribute to the ecological cause through their purchasing pattern.

FRONTIERS OF 'GO GREEN'

The need to change is just a fact of realization. It's better to realize at the earliest. Toyota realized the need to go hybrid to reach a greener pasture early, before other automobiles realized that this is the only way in the long run. With the growing environmental concern and the growing crude oil prices, it seems inevitable that companies have to turn

towards green power. Toyota has gone one step further by incorporating what is the most successful of green energies. The company plans to install solar panels on its next-generation hybrid cars, becoming the first major automaker to use solar power for a vehicle. Toyota would equip solar panels on the roof of the high-end cars, and the power generated by the system would be used for the air conditioning. Bank of America is proving that eco-friendly operations can coexist with business growth. The company claims that it had reduced paper use by 32% from 2000-2005, despite a 24% growth in their customer base. Bank of America also runs an internal recycling program that recycles 30,000 tonnes of paper each year, saving roughly 200,000 trees for each year of the program's operation. The company also offers employees a \$3,000 cash back reward for buying hybrid vehicles.

General Electric's steps taken toward green operations are undeniable. Since 2006, the company has sold over \$12 billion of its Ecomagination products (including solar panels). Furthermore, to mention the responsibility taken by GE to clean Hudson River, which GE was accused of polluting with polychlorinated biphenyls. Starbucks has adopted a very innovative approach called "bean-to-cup" approach, which stresses top efficiency at each link of its global supply chain. The company's decision to use coffee cup sleeves made of recycled paper has been saving roughly 78,000 trees per year since 2006. Computer equipment has historically been one of the most difficult and costly products to safely dispose of. Fortunately, one of the major leaders in that field has stepped forward to make the task easy. Through its "No Computer Should Go To Waste" recycling program, Dell allows customers to return any Dell-branded product back to the company for free. The company has even gone so far as to establish programs that accept computers, monitors, or printers from other companies for safe disposal as well. Wipro has brought in an innovative mechanism which makes it easy for the consumers to participate in waste management. The company provides the opportunity to the customers - who wish to have their e-waste recycled - contact the company or their partners. The company collects the discarded systems from customers on behalf of the recycling agency, which they provide to vendors certified by the pollution control board to recycle the parts. The company ensures the collection and transportation of systems from the customer to the final waste recycling point. The company also ensures that the items submitted to the agency are recycled in a safe manner by the vendor as recommended by the pollution control board. The company moves one step ahead and also shares the proof of the disposal with the customer.

ITC is another company which has been playing a leading role in ecology conservation. ITC's Hotel Gardenia, Bengaluru is the first Indian hotel, and also the world's largest, to get the LEED Platinum rating, which is the highest green building certification globally. The company's green leaf threshing plants at Chirala and Anaparti in Andhra Pradesh have ISO 14001 environment management systems certification.

ROAD TO 'GOING GREEN'

1) Ecolabeling: The concept of ecolabeling was developed to encourage the presence of environment-friendly products in the market with the help of the government, which will result in changing consumption pattern and thus, conserving the environment. The concept was first brought out by Germany in 1978. Now, more and more countries, both developed and developing, are embracing the concept of ecolabeling. In India, the Ministry of Environment and Forests launched the scheme of labeling of environment-friendly products in 1991 in the name of ECOMARK, under which 16 categories of consumer products were identified from the perspective of development of eco-criteria and labeling.

The criteria for awarding any label is very transparent, where in, the quality of the products should be maintained, and the focus should primarily be on the direct impact of a product during use and disposal, along with aspects of energy efficiency and noise reduction. In a way, it can be called a 'cradle-to-death' model, wherein the product is monitored right from the raw material stage to the disposal stage. The manufacturers can apply to the Bureau of Indian Standards if their products are meeting the relevant standards notified for the award of eco-logo.

❖ **Hurdle:** The response of manufacturers towards ECOMARK is warm because of the self-declaration option available to them; also to add that as the concept of 'buying eco-friendly products' does not exist much among the consumers, the manufacturers are not too motivated to get the mark on their products. In a way, the manufacturers and consumers have not taken ECOMARK seriously. One more reason is that the Ministry of Finance has been kept out of the committee, which closed the doors of any possibility of providing any kind of financial incentives or rewards to the manufacturers who are willing to adopt ECOMARK. Similarly, the environmental groups were excluded from the committee.

❖ **Overcoming the Hurdle:** Cooperation between the government and the industry is needed to uplift the concept. Designing a perfect communication strategy targeting consumers primarily, followed by manufacturers, may help in boosting ecolabeling. Providing incentives and benefits to manufacturers will also help in highlighting the ecolabeling concept. The same can be used as a non-tariff barrier to international trade for adopting a protectionist measure.

2) Encouraging 'Green' Consumption : While purchasing any product, the attributes consumers look into also include two very important attributes. One being 'how will this product be a better one in comparison to its counterparts in usage, result and price?', other 'who is the manufacturer and how has been this manufacturer's performance till date?'. While making the consumers think green, the communication message should be focused upon planting the issue of eco-friendly attitude deep inside the consumer psychology. The consumer should feel that 'I am a better consumer than others as I think of buying eco-friendly products. *I am concerned*'. Inculcating this attitude in the consumers will make marketers think about incorporating an eco-friendly system in a longer run.

❖ **Hurdle:** At times, consumers believe that buying organic food and buying naturally made products is enough for acting eco-friendly. This notion needs to be changed. They need to understand that by being eco-friendly, they are making a valuable contribution towards conserving ecology. The only challenge is to make consumers feel that their contribution is valuable and not unnoticeable.

❖ **Overcoming the Hurdle:** Consumers buy a particular product with an expectation of deriving a certain level of satisfaction from the purchase. Consumers want to feel good about their purchase decision; this may come from buying at a good rate, buying a good-quality product, buying from a particular place, or buying from the best manufacturer. If along with these satisfactions, the consumer is given one more satisfaction of buying an eco-friendly product, the consumer will feel proud to flaunt the same around. The awareness exists, the need is to bring in the realization to act.

3) Using Alternative Resources : Alternative energy is an umbrella term that refers to any source of usable energy intended to replace fuel sources without the undesired consequences of the replaced fuels. The alternative energy resources can be solar energy (generating electricity from the sun), wind energy (generating electricity from the wind), geothermal energy (using hot water or steam from the earth's interior for heating buildings or electricity generation), bio-fuel and ethanol (plant-derived substitutes of gasoline for powering vehicles), hydrogen (used as a clean fuel for airplanes, spaceships, and vehicles). Energy resources are limited and are further going to be used and thus, are getting exhausted gradually. On the other hand, users are growing rapidly. During the usage of given resources, users at times do hinder the ecological balance.

❖ **Hurdle - Acceptance and Initiation :** The major problem is that parties who can make a considerable contribution by investing in innovation, research and development are not pacing up. Maybe, the marketers are doubtful about the success of the concept or are not sure about the way it will be received by the consumer. On the other hand, the consumers may find it time-consuming and cumbersome to operate products, especially the ones that are ecologically designed.

❖ **Overcoming the Hurdle:** To make eco-friendly products a success, one can look into two ways. One need of eco-friendly products from the side of the consumers will pull in manufacturers to make eco-friendly products and sell the same in the market. Another way is loading the market with eco-friendly products to make consumers purchase and consume more of the eco-friendly product-basket.

BUILDING A GREEN FUTURE

Protection, conservation and judicious use of the environment have been the way Indians have lived since ages. The need is to address the issue jointly. For the same, participation of the government is needed at the deepest level. The government should encourage marketers who are incorporating eco-friendly processes in their value chain. One aspect needs clarification - the marketer need not be selling an eco-friendly product - but may be contributing to ecology conservation by a certain set of practices as a part of their CSR.

CONCLUSION

With the objective of improving the ecology system by conserving natural resources and growing more alert towards the 'going green' idea, active participation of all the players becomes very crucial. The government should actively frame policies that encourages companies to work towards conserving the ecology, should introduce incentives for the corporates doing so and should monitor them regularly. The corporates should develop concern for ecology and thus need to actively inculcate the same in their process and output. The role played by an individual becomes very important as one needs to be a conscious buyer, consumer and disposer. Thus, eating organically grown food, companies purchasing carbon offsets, using solar power, and buying biologically degradable and recyclable products are not enough to conserve the ecology.

SCOPE FOR FUTURE RESEARCH

The concept of 'going green' has been well adopted by the companies across the world. The companies are investing thoughtfully in research and development for developing technologies and processes which can help the companies to become eco-friendly through process and product offerings. Further research needs to be done to know the strategic benefits that the companies may draw by 'going green' in the coming years. Furthermore, future research can be done to study the impact of green strategies, especially the marketing strategies of the companies on the consumer's buying decisions.

LIMITATIONS OF THE RESEARCH

The paper aims to study the concept of 'going green', which includes the efforts put in by the government, the corporate bodies and the individual self for a better ecological system. Thus, a further study needs to be done to understand who the influencer is, when it becomes 'compelling' to think green; is it the government, the corporate or the individual consumer? The paper, being conceptual, only gives a conceptual idea about the ecological efforts and its impact. Also, the paper derives interpretations from the research studies carried out previously, which needs to be strengthened by an empirical study.

REFERENCES

- 1) Barnard, E. and Mitra, A. (2010). '*A Contingent Valuation Method to Measure Willingness to Pay for Eco-Label Products*.' Paper presented at Allied Academies International Conference held at Las Vegas, October 13-16 2010, Proceedings of the Academy for Economics & Economic Education (AEEE), 13(2) pp. 5-7. Retrieved from EBSCO on 16th October, 2011 from IIM Ahmedabad.
- 2) Borin, N., Cerf, D. C., Krishnan, R., (2011). 'Consumer Effects Of Environmental Impact In Product Labeling.' *Journal of Consumer Marketing*, 28 (1), pp. 76-78.
- 3) Bougherara, D., Grolleau, G., Thi'ebaut, L. (2007). 'Benefiting From A Clean Environment Versus Undertaking Efforts To Protect The Environment., *Review of Agricultural Economics*, 29 (2), pp. 224-226.
- 4) Bougherara, D. and Combris, P. (2009). 'What Are Consumers Paying for?' *European Review of Agricultural Economics*, 36 (3), pp. 322-339.
- 5) Bougherara, D. and Combris, P. (2009). 'Eco-Labelled Food Products: What Are Consumers Paying For?' *European Review of Agricultural Economics*, 36 (3), pp. 234-238.
- 6) Bridges, C. M. and Wilhelm, W. B. (2008) . 'Going Beyond Green: The "Why and How" of Integrating Sustainability Into the Marketing Curriculum.' *Journal of Marketing Education*, 30 (1), pp 33-38. doi:10.1177/0273475307312196.
- 7) Hansen, A. and Machin, David (2008). 'Visually Branding The Environment: Climate Change As A Marketing Opportunities.' *Discourse Studies*, 10(6), pp. 777-794. doi: 10.1177/1461445608098200.
- 8) <http://www.businesspundit.com/25-big-companies-that-are-going-green/>, accessed on April 16, 2012.
- 9) http://www.cai-india.org/index.php?option=com_docman&task=doc_download&gid=123, accessed on April 18, 2012.
- 10) http://www.iimm.org/knowledge_bank/8_ecolabeling-scheme.htm, accessed on April 18, 2012.
- 11) <http://www.itcportal.com/about-itc/global-honours.aspx>, last accesses on December 20, 2012.
- 12) http://www.wiprogreentech.com/ewaste_management_process.html, accessed on December 20, 2012
- 13) Jain, S. K., Kaur, G. (2004). "Green Marketing: An Indian Perspective." *Decision*, 31 (2), pp. 169-176.
- 14) Peattie, K. and Crane, A. (2005). 'Green Marketing: Legend, Myth, Farce Or Prophecy?' *Qualitative Market Research: An International Journal*, 8 (4) pp. 357-370.
- 15) Quick, R., Lau, C. (2003). 'Environmentally Motivated Tax Distinctions and WTO Law.' *Journal of International Economic Law*, 6 (2), pp. 419-458.