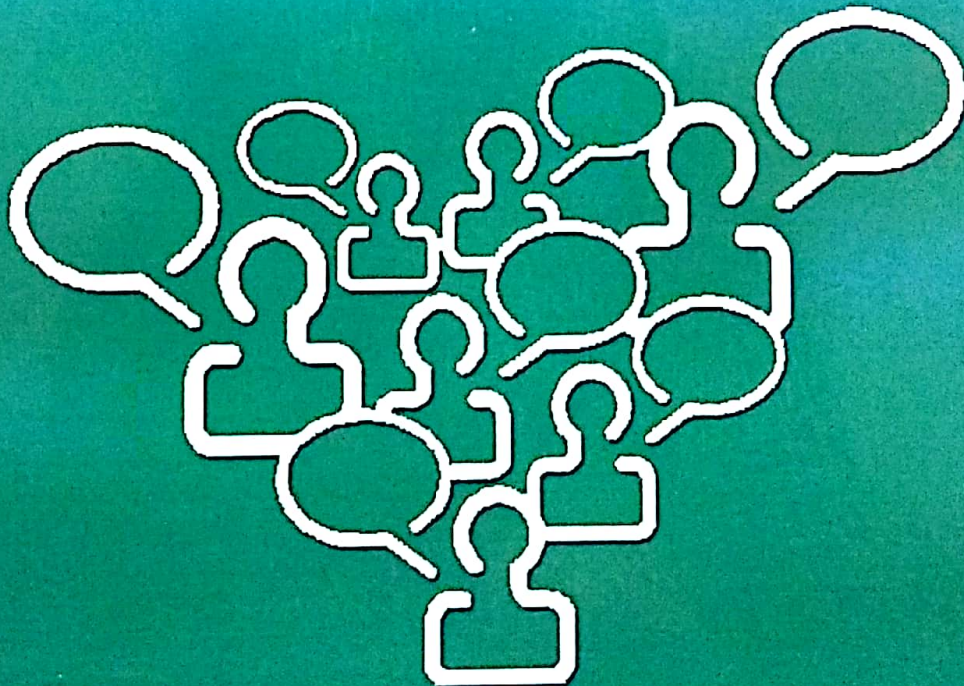


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Contents

Public Distribution System in India: Trends of Production, Prices and Off Takes of Major Food Grain Crops <i>- Geeta Sharma and Dr. Swati Mehta</i>	07-18
The Trend of Spatial Labour Mobility in Panchla Zari and Embroidery Industry: Does It Inherit a “Migration Hump” <i>- Sri Sukanta Saha</i>	19-30
Environmental Conservation Awareness and Behaviour of Post Graduate Students <i>- Dr. Laxmi Putran</i>	31-38
Marketing issues of Telecommunication Services in Rural India: An Empirical Study <i>- Dr. Gopala Sudarshanam</i>	39-46
Juvenile Delinquency: An Identifiable Feature <i>- Dr. Malleshappa Baligar</i>	47-52
Property Ownership: A Tool for Women Empowerment in Uttar Pradesh <i>- Nomita P. Kumar</i>	53-64
Effects of RTE Imperatives on the Enrolment, Retention and Achievement of the Learners at Elementary Level <i>- Dr. Duryodhan Dash</i>	65-72
Nutrition Education: Step to Fight Against Malnutrition in India <i>- R.M Naik and Minaxi R. Prajapati</i>	73-76
The Socio-Cohesive Theory of Values <i>- Simanchala Pradhan and Dr. Bhagwant Singh</i>	77-84
Green Marketing : An Emerging Concept in Indian Firms <i>-Dr. Md. Rashid Farooqi and Syed Hamid Khusro and Dr. Azfar Alam</i>	85-91
Bhima made easy through SHG Federations <i>- Dr. K. Swaroopa Rani</i>	92-100
Social Justice and Sustainable Tribal Development in India <i>- Dr. V. Dhulasi Birundha</i>	101-116

Green Marketing An Emerging Concept in Indian Firms

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ABSTRACT

In this era of globalization it has become a challenge to keep society as well as consumer in fold and even keeps our natural environment safe and this is biggest need of hour. Consumers are also aware of the environment issues like global warming and the worst pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as important concept in India as well as in other part of the world and is seen as an important strategy of facilitating sustainable development. This paper is an attempt to show the initiatives taken by Indian firm to promote green marketing environment and culture in India and gives awareness to the customers. The concept needs importance of green marketing. This paper describes current scenario of Indian market and explores the challenges and opportunities of business have with green marketing. Why Indian firms are adopting it fast and future of green marketing and conclude that green marketing is emerging concept will continue growing in both practice and demand.

Keywords: Green Marketing, customers, firms, Indian market, future

Introduction

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 the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc. Both marketers and consumers are becoming increasingly sensitive to the need to switch into green products and services. While the shift to “green” may

appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

Table No.1 Countries ranked according to their response level on Green Marketing

Rank	Country
1	India
2	UK
3	US
4	Thailand
5	Australia
6	Canada
7	China

Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social

realities of the wider marketing environment.

According to market researcher Mintel, about 12 per cent of the U.S. population can be identified as True Greens, consumers who seek out and regularly buy so-called green products. Another 68 per cent can be classified as Light Greens, consumers who buy green sometimes. "What chief marketing officers are always looking for is touch points with consumers, and this is just a big, big, big touch point that's not being served," says Mintel Research Director David Lockwood. "All the corporate executives that we talk to are extremely convinced that being able to make some sort of strong case about the environment is going to work down to their bottom line."

The Green Marketing Mix

The concept of the green marketing mix was first introduced by Bradley (1989). Green marketing is an important tool which the marketers have been using for environmental sustainability. However, it has been emphasized that the green marketing mix needs to be studied in much depth (Prakash, 2002; Polonsky & Rosenberger, 2001). Green marketing comprises of the following:

(1) **Green Products.** The products that are manufactured through green technology and that cause no environmental hazards are called green products. Green products use recyclable materials, save energy & water, reduce wastage, and have minimal packing, and emit less toxic substances. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. Prakash (2002) suggested six ways to make the products green.

- (i) **Repaired.** Product's life should be extended by repairing.
- (ii) **Reused.** Product must be as such it can be reused.

(iii) **Recycled.** Product should be as such that it can be converted into recyclable raw materials.

(iv) **Reconditioned.** Product's life should be extended by overhauling it.

(v) **Reduced.** The products must deliver adequate benefits even by using less raw materials or by generating less disposable waste.

(vi) **Remanufactured.** The product should be such that it can be remanufactured.

(2) **Green Price.** Pricing is a very important factor of the green marketing mix. Polonsky and Rosenberger (2001) stated that green products have higher initial out-of-pocket expenses, but lower run costs. Prices of the green products are often perceived to be high by the consumers in comparison to the normal products. Manjunath and Manjunath (2013) stated that if the production and the operation costs are lowered, then it would make the green products competent in the market. Some green products have been priced high in the market, especially for organic food. However, environmental benefits alone will not be sufficient to draw the customer's attention towards the green products. Customers will pay a premium for the green products only if they perceive additional value from the products in terms of their overall better performance.

(3) **Green Place.** Green place implies managing the logistics in a way that minimizes the emission on transportation. The choice of where and when to make a product available has a significant impact on the customers attitude towards adoption of the products. Srikanth and Raju (2012) stated that marketers, while introducing their green products, should position the products in the marketplace in such a manner that the products appeal to the masses and not just to the small green niche market. Companies must emphasize that their distributors and suppliers are environmentally clean.

(4) **Promotion.** Promotion should be the most focused upon in the green marketing mix. If the marketers do not use this mix properly, then it can mislead the customers and cause green washing.

In October 2012, the Federal Trade Commission (FTC) revised its guidelines for environmental claims. The new guidelines contains guidance for many categories-like environmental marketing claims like carbon offset and renewable energy and updates to guidance from the previous guides such as for "general environmental benefit claims" and "recycled content claims" (Davis & Gilbert LLP, 2010). Some of the points from the updated guidelines are as follows:

- (i) Marketers should not make unqualified general environment benefits claims like green or eco-friendly, but rather, they should claims for specific attributes like eco-friendly made with recycled materials.
- (ii) Certifications should not be used if marketers do not clearly convey basis for it.
- (iii) If a company claims that a product is compostable, it should have “competent and reliable scientific evidence”.
- (iv) If recycling facilities for a product are not available to at least 60 per cent of consumers, marketers state that, “this product may not be recycled in your area”.
- (v) Claims for such products or packages made partly from recycled materials should be qualified stating “made from 40 per cent recycled materials”.
- (vi) Marketers must have reliable scientific evidence to support carbon offset claims and should be based on “appropriate accounting method”.
- (vii) It states terms like “sustainable”, “natural”, “organic” should not be used.

Green Initiatives in India

Oil & Energy Sector

- (1) *Suzlon Energy Ltd.* Suzlon Energy Ltd., the world’s fourth largest wind-turbine maker, is adjudged among the greenest and the best companies in India. Tulusi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run it entirely on wind power. Suzlon’s corporate building is the most energy-efficient building ever built in India. Understanding the severe threat of changing climate, Suzlon Energy Ltd, is committed towards protecting the planet Earth by offering a solution through innovative energy usage and competitive green solutions (Suzlon, n.d.; “Suzlon Global Headquarters ‘One Earth’ receives ‘LEED Platinum’ certification,” 2010).

ONGC has introduced many environment friendly and energy efficient technologies which led to and estimated savings of INR 409.23 crores during 2011-12. ONGC is credited with a 102 MW wind farm in Rajasthan, in addition to a 51 MW unit in Bhuj, Gujarat. ONGC’s green initiatives have been recognized at various platforms. ONGC received the ‘Greenies Eco Award’ for green initiatives and practicing best policies for environment protection amongst PSUs (“ONGC receives’ Greenies Eco Award’ for green initiatives and practicing best policies for environment protection amongst PSUs: Business by bids,” 2010). ONGC’s initiatives for energy-efficient green crematoriums are all set to replace the traditional wooden pyres across the country. It is expected that besides saving time for burning, such efforts will approximately save 70 per cent of the wood. ONGC’s green projects contribute to increased environmental awareness among local communities, thus contributing even more to its corporate social responsibility criteria.

Telecom

- (1) **Idea.** Idea Cellular initiated the 'Use Mobile, Save Paper' campaign ("IDEA introduces innovation 'Use Mobile, Save Paper' campaign," 2010). Through the Green Pledge campaign, the company has tried to show its commitment for creating a better Earth and a better environment. This campaign was supported by thousands who came forward and pledged to save paper and trees. IDEA, through its setting up of bus shelters with potted plants and tendril climbers, also tried to convey its green message to people (Jamge, 2012; Raghavendra & Usha, 2013).
- (2) **Reliance Communications.** Reliance Communications, India's largest and only telecom service provider to offer nationwide GSM and CDMA services, has taken several steps to show its concern for the environment. Reliance Communications has undertaken several important initiatives in the six core areas of environment, community development, education, women's empowerment, social awareness and health, signifying its continued and long-standing commitment to social and community welfare. In one of its 'Go Green' campaign, Reliance Communications tool tree plantation initiatives and planted over 500 saplings in several parts of Bangalore city as part of its CSR initiative. With the rising global warning, every step that each one of us can take to preserve the environment by adopting eco-friendly measures eill contribute and make a difference ("Reliance Communication initiates 'Go Green', 2010").

Information Technology

- (1) **HCL.** This IT major may be considered as the icon of Indian green initiatives, thanks to the "go green" steps taken in solving the problem of toxics and e-waste in the electronics industry. HCL is committed to phasing out the hazardous vinyl plastic from its products and has called for a restriction on hazardous substances. The HCL Green Back campaign is aimed at tacking e-waste (Kumar & Kumar, 2013; India's 5 Most Eco-Friendly Company, 2013).
- (2) **Infosys Ltd.** It is an Indian multinational company which provides services in software engineering, information technology and consulting services. Infosys aims to become fully carbon neutral by the air 2017. It has introduced many eco-friendly practices in its organization such as preserving the natural habitat, rain water harvesting and minimization of solid waste.
- (3) **Wipro.** On the basis of revenue it is second largest IT based company of India. One of the major CSR criteria of Wipro is ecological sustainability. The company aims at becoming carbon neutral by 2015.
- (4) **TCS (Tata Consulting Services).** It is a subsidiary of Tata Group. The following are some green initiatives taken by TCS. TCS uses renewable energy like solar

water heaters at few locations. TCS pays special attention on the minimum and wise use of paper and water. TCS has attempted to make its infrastructure as green infrastructure where various energy efficient practices are being followed. TCS is also working on solid waste management and water conservation.

E-Services

- (1) **SBI (State Bank of India)**. SBI has switched over to energy sector and is banking on green energy with Suzlon Energy Ltd. SBI has started harnessing wind energy to reduce emissions through its 15 Megawatt wind farm developed by Suzlon Energy. The wind project is the first step in State bank of India's green banking program dedicated to the reduction of its carbon footprint.
- (2) **Indusland Bank**. This bank is considered as the bank that has revolutionized the green services in the Indian banking sector. Indusland is credited with opening of the first solar powered ATM in the country. As per the estimate, the bank expects saving up to 1980 KW of energy annually from the use of solar powered ATMs.
- (3) **CSIR-CMERI Solar Electric Rickshaw (SOLECKSHAW)**. CSIR-CMERI, with its new technology, has provided a green solution to the urban transport system. SOLECKSHAW is an eco-friendly tricycle. It is driven partly by pedal and partly by electric power supplied by a battery that is charged by solar energy (Mondal, n.d.).
- (4) **Delhi Metro Rail Corporation (DMRC)**. DMRC's e-rickshaw campaign is another step of greening the transport system and thereby protecting the environment ("Delhi Metro to Introduce Eco-friendly e-rickshaws", 2012). DMRC has become the first rail project in the world to earn carbon credit by using regenerative braking system in its rolling stock which reduces electricity consumption by 30 per cent (Onlinecarbonfinance.com, n.d.). As an initiative towards clean energy, DMRC planned to install a rooftop solar plant at Dwarka, Sector 21 Metro Station ("Solar power plant at Delhi Metro System," 2014).

Conclusion

Thus it is seen that green marketing ensures sustained long term growth, profitability, saves money in the long run, help marketing of products keeping the environment concerning mind, and help in breaking through new markets and enjoying competitive advantages, and so, it needs a lot of patience and perseverance, and should be used properly. The tool of protecting the environment in green marketing is with us, and now, it depends upon us how judiciously we use it.

Limitation of the Study

The present research paper is based on secondary sources of information, hence a study can be generated based on primary data to get true picture of the initiatives that

have been taken. Furthermore, an empirical study can be undertaken to understand the factors behind the adoption of green marketing by the Indian firms and Indian consumers.

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