

GO GREEN – SUCCESS MANTRA FOR SUSTAINABLE AND SUCCESSFUL BUSINESS ACROSS THE GLOBE

Dr. M.R.VANITHAMANI

Professor, Department of Management Studies

Karpagam College of engineering

Coimabator – 641 302, Tamil Nadu

Abstract

“Go green” has become the corporate mantra for sustainable and successful business across the globe during recent years. Green concept not only refers to the general idea of conservation and preservation, but it also refers to the environment and its deterioration that has led to the serious changes in nature that we are witnessing now. To establish stability in demand and supply, businessmen anchored on continuous use of resources leading to an extent of creating an imbalance on the ecological foot prints. Resources utilization planning systems failed to focus on reuse or sustainability for future. Results of which has lead to drastic climatic changes, exhausted renewable resources and depletion of bio diversity. Business leadership has got the colossal responsibility to address this and offer suitable solutions for the betterment of humanity as well as their own sustainability and success. This paper aims to throw light on the areas of business and consumers’ perceptions about green concept as well as their preference for it. With that the author aims to outline the key focus areas for corporate in terms of green business, leading to sustainable and successful business outcomes.

Key words: Green business, green marketing, green loyalty, sustainable business, go green.

1. Introduction

Across the globe people are becoming greatly aware of environmental changes and consciously taking steps towards it. As a result, there is an increase in the market for supportive and gregarious accountable products and services. The wants and needs of human are unlimited, unfortunately our resource limitations forces us to fall in optimum resource utilization. In present scenario, companies are very much concerned about it; this has created a great space for green marketing. This concept has evolved as a panacea to the prevailing environmental problems. Although during initial stages the process was expensive, subsequently when consumers got benefited by good quality products, producers as well as the members in supply chain achieved competitive advantage over non-green products without affecting the balance of demand and supply for future generations. Consumers are also becoming conscious of environmental and social problems caused by non-sustainable products and shifted to green, eco-friendly products. Awareness about green products is a vital indicator to protect the environment. On the other hand, to sustain as well as succeed in the market organizations took measures with respect to the environment, encompassing values, balance and accountability in their business activities.

2. Review of literature

Fundamental requirements for green marketing are manufacturing efficiency, product, brand positioning and social responsibility. Product positioning is done by keeping in view functional and emotional benefits of a product based on consumer satisfaction. Green products positioned with eco labels are preferred by buyers. Eco-friendly consumers were convinced to purchase green products due to value, physical attributes, usage efficiency and brand image creating competitive advantage to the retailers also (Norazah, 2013). Consumers concern about environmental pollution is an important variable that made them pay high price for the purchase of green products (Kassarjian, 1971). The TNS Green Gauge's study revealed that 74 per cent consumers have communicated as paying high price for green products is worthy, and 82 per cent of them are willing to pay more for green products. It is understood that consumers are becoming environmental sensitive irrespective of price factor.

When a company opts for green marketing, it can increase consumers' perception of high quality, purchase inclinations and environmental perceptions related to the product. The goals of green marketing are: developing products to satisfy customers in terms of quality, function, price, convenience and environmental friendly; and establishing high quality image of the product (Ottman, 1999). One of the fundamental reasons for consumers to purchase green products lies in the expectations of quality in green products. Studies have revealed that consumers perceive the product quality as best, when they feel a product as it has green marketing characteristics (Simon 1992).

Green perceived value is positively associated with green purchase intention. Since the values of the product in a consumers' perception establishes a trust and therefore encourages a consumers' purchase intention as well as purchase decision (Rizwan, et al. 2013). If consumers perceive the functions and effects of green goods their perception on its quality and purchase will also improve. The motive for the purchase of green products is that, consumers believe that green products provide extra values like high security and environmental protection (Manget, 2009). Consumers' perception on product innovation is optimistically influencing their perception on product quality. They associate innovative products with less risk and high quality. Green marketing enhances consumers' awareness about environmental issues as well as the impact of non-green products on environment. This increases more green purchase (Smitha and Anita, 2018).

Retailers are investing in product planning and designing of green products to be sustainable. It combines environmental and social issues, resulting in better solutions for controlling ill effects on environment and human beings. Companies figure out strategies and collaborate with suppliers to get sustainable procurement to reduce risk (Ruparathna and Hewage, 2015). Green supply chain has to focus on reducing carbon emission released by industries in their production process, distribution and sales. This initiative requires better technology as well as cultural change in organizations to meet out the objectives of sustainability. India produces herbal and organic products in massive quantities in consumer

goods. Proper and adequate awareness of all these would change the consumers' perception and propel them for more purchase (Balaji and Injodey, 2017).

3. Green bonds

The International Capital Market Association defines a green bond as “any type of bond instrument where proceeds are exclusively applied to finance or refinance partially or completely on new and existing eligible green projects.” Green bonds are debt instruments that are used to finance green projects that provides environmental benefits. There are becoming popular financial instruments across the globe by banks, governmental as well as private entities to raise capital for green investments that alleviate climatic changes accelerating the transformation towards an economy that aims at low carbon and resource efficient leading to sustainability. Green bond market started in 2007, when the first ever climate awareness bonds issued by European investment bank, followed by World Bank's \$400mn green bonds in 2008. Corporate members took time in this; by 2013 first sizable green bond was issued. Green bonds can provide long-term source of debt capital needed for renewable infrastructure bonds. Green bonds channelize investments in green projects. It is believed that, this trend would continue to grow in the future. As investors, the millennial look to make positive impact in their communities and across the globe through their green investment portfolios.

4. Green loyalty

Green loyalty is the widely innovative concept of trust and this idea is been preferred by all and came in understanding. Corporate can take this idea of attracting the environmental needs and wants of customers by exchanging the demand through green loyalty. A study by Trilok, et al. (2018), focused on consumer buying habits towards green loyalty by taking six variables as drivers such as, green loyalty image, green loyalty satisfaction, green loyalty reference group, green trust, green marketing image and green advertisement. They have evolved a model which shows a strong bonding between green loyalty and the study variables, which in turn have an impact on customers buying behaviour. All these outcomes provide a clear idea to the corporate stakeholders to focus more on these areas to influence consumers buying behaviour.

5. Green retailing

Retailers as part of supply chain need to support the introduction of green products in their product line. They insist intermediaries and producers to upgrade their upstream performance of green marketing as well as influenced consumers in their purchase decision of green products. The role of retailers in bridging the gap between producers and consumers in terms of green products is highly optimistic. Kulbir and Abishek (2018) analyzed the factors that give sustainable advantage to retailers for selling green products. Their study has revealed many interesting factors related to the role played by retailers in enhancing green business. Retailers concentrated on technical standards to procure green

products, they suggested product designing and packing strategies to the manufacturers based on the shelf life of the product. Retailers organized awareness campaigns, chosen suitable green advertising strategies, trained the staff to explain the benefits of green products and encouraged them to buy it. Retailers positioned green products with eco labels in the shelves, which emotionally and functionally connected customers with the products leading to high sales. They insisted the manufacturers to follow 3R strategy, i.e. reduce, reuse and recycle in product designing. Other factors focused by the retailers are eco labeling, product accessibility and green pricing. Even though the pricing is little bit on the higher side since sustainability aspect is ensured at every step of production process, they believe in the increased demand for green products will increase the supply and reduce the price.

6. Consumers' quality perception on green products

Green marketing is an indispensable strategy for companies involved in market competition. With increased awareness of green marketing, consumers may tend to buy more green products as a contribution towards environmental protection. Companies make use of this opportunity to attract more customers, indirectly contributing for the social cause too. Smita and Anita identified the impact of green marketing awareness on consumers' perceived values on product based on various demographic variables have revealed many interesting factors regarding green purchase. Majority of the consumers purchase green products health consciously, to save natural resources and as a societal status. Item wise consumers prefer green food and beverages, personal hygiene products, few electrical items, clothing and accessories. Source of awareness about green products are family and friends primarily followed by internet and print media. This study revealed that green marketing awareness influences purchase behaviour positively. Higher the consumers' perception about green product, higher is the purchase intention. By this it is understood that the manufacturers should focus more on bringing in innovative methods of promotion, production and technology in green business to become sustainable and successful in their business.

7. Conclusion

Global environment is getting degraded by various factors, out of which population, pollution and fast economic growth are major factors that contributes for environmental imbalances. To balance this, the most relevant and prevalent strategy would be "Go green" mantra. By this, we shall follow green concepts in terms of investments, product, process as well as services incorporating all business activities in it. Green marketing is an indispensable strategy for companies involved in business across the globe at all levels. At the same time consumers are actively trying to reduce their impact on the environment. Therefore, go green strategy has become the need of the hour to be adopted by all the economies of the world to sustain resource for the future generation as well as successful economic decisions and development.

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