

# A Conceptual Study on Green Marketing Practices adopted by emerging corporate in the era of Globalization

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## Abstract:

In present scenario, Environmental issues are seen worldwide. These issues are very crucial which includes; global warming, waste disposal, climate change, and pollution which influence daily lifestyle of not only people, but these micro-factors have indirect impact on the business environment of the companies too. Due to which many top corporates still hesitate to use green practices even after government compulsion. But some of the reputed companies such as Oil and Natural Gas Corporation Ltd., Samsung, Suzlon Energy, Wipro Info tech have started molding their traditional business practices towards E- practices in their processes which helps in implementation of cost-benefit analysis, reducing cost and increasing efficiency through optimum utilization of resources. As quoted by McCarthy, traditionally marketing revolved around 4P's – Product, Price, Place, and Promotion but in the emerging revolutionary phase of today's Green Marketing scenario it is focused on three crucial P's- People, Profit and Planet. Thus, our approach will be focused on collaborating the traditional and green marketing practices and develop combined 7P's of green marketing.

**Key Words:** Green Marketing, 7P's, Micro- factors, E- Practices, Traditional Marketing.

## 1. Introduction

The first terminology “**Green Marketing**” came into picture in late 1980s and early 1990s. Peattie (2001) addressed the evolution of green marketing in three stages. First stage was represented as "Ecological" green marketing, and during this phase all marketing activities were keen to help environmental problems and assign solution for environmental problems. Second stage was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third stage was "Sustainable" green marketing. It came into picture in the late 1990s and early 2000, which focused on developing good quality products which can fulfill consumer's expectations by analyzing the quality, performance, pricing and convenience in an environment friendly way.

American Marketing Association (AMA) has defined marketing of products that are considered to be environmentally safe. Green marketing is broader in concept and can be implemented to consumer goods, industrial goods and services. Nowadays advancement of technology at an unprecedented rate and these

innovations has completely changed the lifestyle. Ultimately digitalization has transformed the rules of business.

India is making progress in the field of digitalization despite of this there are good companies in India have started practicing green marketing. These companies themselves are now highly concerned about the environment. For example, Wipro has introduced 100% recyclable toxin free green ware PCs and continuously focusing on green products. Similarly, other companies such as LG India has also started focusing on green marketing by making LED E60 and E90 series monitor that are environment friendly. McDonald's India has started waxed paper packaging due to polystyrene production. Xerox has started using "high quality "recycled photocopier paper in order to satisfy consumer's needs as well as focusing on green marketing.

In present scenario when any organizations come up with new innovations like ecofriendly products, they need to access new markets, alleviate their market shares, and increase profits. As quoted by McCarthy, traditionally marketing revolved around 4P's – Product, Price, Place, and Promotion but in the emerging revolutionary phase of today's Green Marketing scenario it is focused on three crucial P's- People, Profit and Planet.

The present paper discusses about importance of green marketing and highlights the organizations that have started using Green Marketing concept. In terms of marketing marketers highlight 4 P's but in the revolutionary phase of transforming marketing towards green marketing the focus has been shifted to 7 P's instead of just 4P's. Apart from this the impact of other variables of green marketing can be analyzed through Environmental Performance Index (EPI, 2018)

## 2. Literature Review

### 2.1 Green Marketing

Lampe and Gazda (1995) had conducted research and they defined the concept of green product "every aspect of the product: design, production, packaging, use and disposal, provides an opportunity for a company not only to protect the environment but also to benefit from positive consumer attitudes towards the environment."

"The implementation of marketing programmes directed at the environmentally conscious market segment" (Banerjee 1999). According to the authors like Ottaman, (1993) and Peattie, (2001) conventional marketing is out and Green Marketing is in.

Yaranella et al. (1999) expressed that; "Green evokes small incremental improvements in social practices, modern technology, and human habitats, while sustainability implies a revolution in organizing our personal and collective lives and inhabiting the planet."

A green product can be characterized as either partially or totally recyclable product. It can be made of renewable, recyclable or biodegradable materials. Sustainable is referring to the lifecycle and origins of a product. Hence green is defined as a product or service that is both environmentally and socially responsible (Kreidler and Mathews, 2009).

Sometimes, the terms like biodegradable, ecological sustainability, Chloro Fluoro Carbon free, recyclable, ozone friendly and environmentally friendly are the terms that consumers most often correlate with green marketing. But green marketing imbiba broad perspectives such as the product modification, changes to the production process, packaging changes, as well as modifying advertising which can be applied to consumer goods, industrial goods and even services (Welling and Chavan 2010).

## **2.2 Marketing Mix**

McCarthy, traditionally given 4P's – Product, Price, Place, and Promotion but in the upcoming phase of today's Green Marketing scenario it is focused on three crucial P's- People, Profit and Planet.

### **Green Product**

Green Product refers to its production process is environmental friendly and less harmful to environment basically products that use green technology in their operations can be termed as Green Products. Every organization should be responsible for less environmental pollution in its production process therefore Organizations should start practicing ecofriendly packaging that can minimize pollution. Business must develop an ecofriendly design and a packaging that minimizes pollution and hazards.

### **Green Price**

The procedure of adapting green is costlier in terms of installing new technology, training people, imbibing external costs and converting waste into recycled products. Nevertheless, eliminating the packaging material could decrease the prices of green products, as several businesses have experienced; these businesses consider this proposition a desirable one, especially when packaging costs constitute a huge part of the unit cost (Arseculeratne and Yazdanifard, 2014)

### **Green Promotion**

There is various promotion mix in marketing. Similar, Green Marketing consists of sales promotions; direct marketing, public relations, and advertising are some of the means of communication to spread the message of "Go Green". Marketers can allure customers "Go green," based on money saving, health benefits and environment friendliness.

## **Green Place**

Green place refers to managing logistics to minimize transportation emissions as a result there will be less emission of carbon in the environment.

## **Green People**

In 7P's People are an important dimension in green marketing and the most influencing in consumer's willingness to buy. Employees of the organization should be well trained on environmental related issues, well-motivated and with a positive attitude since the reputation of the organization rests in their hands. Green people are those that they are aware of products that are environmental friendly.

## **Green Process**

Ecommerce has been very helpful in this where customers can purchase items online and await delivery and in case of reading materials, they can download them and reduce wastages. The internet has been very helpful in saving time and money and social media is widely used to serve customers since they get immediate responses as opposed to the original phone inquiries where customers must stay on hold for several minutes before they can get a response.

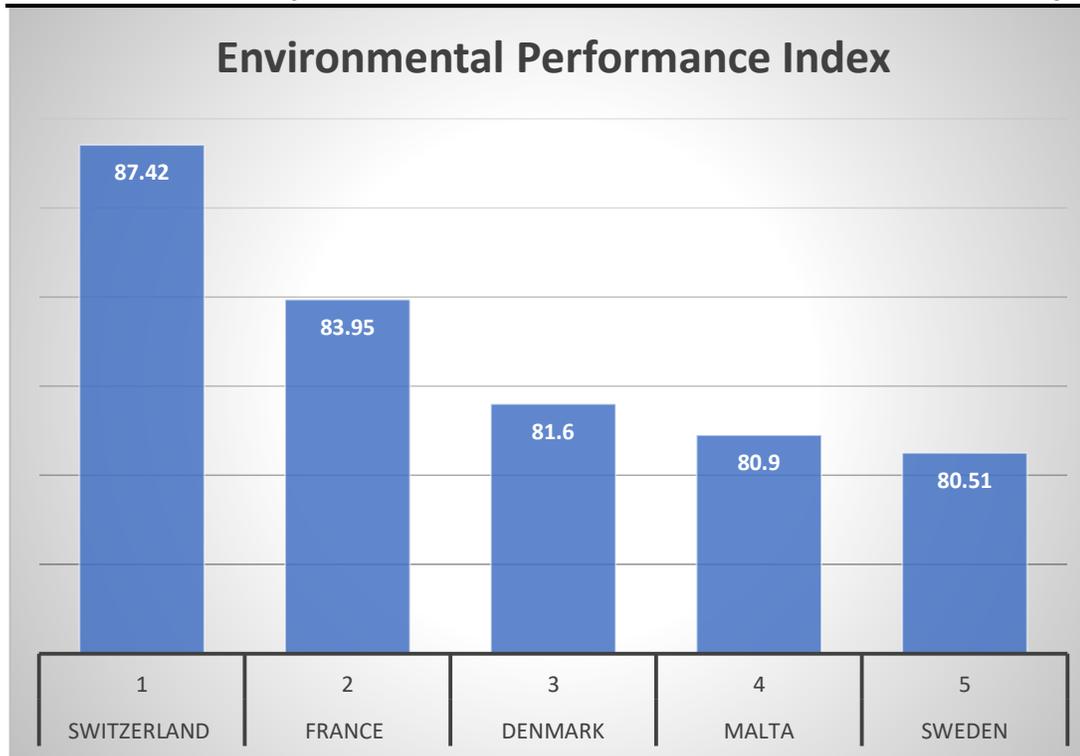
## **Green Physical evidence**

The Chartered Institute of Marketing (2009) notes that the physical evidence demonstrated by an organization must confirm the assumptions of the customer. The physical setting of the reception for example must demonstrate the organizations green intentions in an attractive manner. The layout should be made out of attractive furniture, creative environments, from recycled materials or are reusable. The reading materials at the waiting area can be in digital form whereby customers can read them on monitor screens, tablets or kindles. Reading materials that are printed should be fully recycled papers and the ink on the papers can be vegetable-based or with water-based coatings. Customers speak to other customers to find out their opinions and testimonials and therefore green physical evidence strategies strengthen customer satisfaction as well as customer loyalty of the organizations products.

## **2.3 Green Marketing in India**

Environmental Performance Index (EPI) is a approach that is used to quantify and numerically mark the environmental performance of a state's policies. It is basically designed to supplement the environmental targets set forth in the United Nations Millennium Development Goals.

According to the survey of EPI (2018) produced by Yale – Centre for Environment law and policy in collaboration with world economic forum, Switzerland is ranked first whereas India is ranked 177<sup>th</sup> in the world as shown in figure 1.



**Figure 1: Source EPI (2018) produced by Yale – Centre for Environment law and policy in collaboration with world economic forum.**

There are many corporate sectors that are already practising green marketing in their routine processes such as Wipro Info tech (Green IT) was India's first company to launch environment friendly computer peripherals. Wipro has launched eco-friendly Wipro Greenware desktops that are totally free from harmful chemicals such as Polyvinyl Chloride that are dangerous to children and environment. Wipro emphasizes on designing the products and solutions that can lessen hazardous waste to enhance ecology sustainability and it continuously offering green products. In India, Samsung was the first to launch ecofriendly mobile handsets -W510 and F268.

Oil and Natural Gas Corporation Ltd. (ONGC), India's largest oil company, has introduced energy efficient Mokshada Green Crematorium, which saves 60% to 70% of wood and a fourth of the burning time per cremation. On the other hand, Suzlon is recognized as the number one green energy company in India and ranked 67<sup>th</sup> globally in the Carbon Clean 200.

## 2.4 Conclusion

Green Marketing is a crucial aspect in today's era of globalization to balance our ecology system. It is a concept to save the environment for future generation but this concept is still in the nascent stage in Indian companies.

Now this is the right time to select Green Marketing globally. As it will come with drastic change in the world of business only if all nations will make strict rules because green marketing is essential to save world from various hazardous activities impacting our environment. From the business point of view, 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 one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it.

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