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RESEARCH ARTICLE

A STUDY ON GREEN MARKETING AS THE SOURCE OF THE COMPETITIVE ADVANTAGE OF THE BUSINESS ORGANIZATIONS

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ABSTRACT

In Business Scenario every organization wants to go globally and look different methods to promote their business. One of the widely available, familiar and successful marketing Strategies is Green marketing. Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the remarketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. Green marketing has emerged as an important marketing domain. The organizations are making large investments to facilitate innovation of new green product lines and also to improvise the existing ones to make it more environment-friendly. The market is responding to such changes by preferring green products over conventional products. This research Paper aims to discuss about Green marketing and role of green or eco friendly products for Organization development.

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INTRODUCTION

"Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption & disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about sustainability. Other similar terms used are Environmental Marketing and Ecological Marketing. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an 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 for switch in to 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. It incorporates a broad range of activities including

1. Product modification,
2. Changes to the production process,
3. Packaging changes and
4. Modifying advertising

Green marketing is inevitable in a market where resources are scarce and demands are infinite. 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. People are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Most of the consumers, both individual and industrial, are becoming more concerned about environment-friendly products. As a result, green marketing has emerged, which aims at marketing sustainable and socially-responsible products and services. Many people believe that green marketing is a way to promote or advertise a specific product using environmental terms, such as television advertisement, to announce a type of heaters as not to cause a shortage of oxygen m but all that cannot be named more than eco-declaration, or green advertising, which forms one components

of green marketing, or of the green marketing claims therefore, green marketing includes a wider range of organizational activities, such as; product modification, changes to the production process, packaging changes and delivery changes, and more.

Review of literature

Brahma, M. and Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits. Founder & CEO of Emergent Ventures India (EVI) Vinod Kala says he realised in 2004 that there is huge business potential in environment. He further adds that financial investors are increasingly looking at Green Technology as profit opportunity than only a morally right thing to do, but there are dozens of entrepreneurs who have found that the capital expenditure involved in such projects are overwhelming and funds too hesitant to invest in them. The US and the EU have asked both India and China to reduce their baseline emissions, which should get implemented by 2020. Mr. Bharathwaj says that once that happens and the Government adopts more stringent policies for curbing carbon emissions, Clean Technology ventures would assume greater importance in the country and as a result there would be more investment interest within the sector. Chaudhary, R., And Bhattacharya, V. (2007), in their article on Clean Development Mechanism: Strategy for Sustainability and Economic Growth published in Indian Journal for Environmental Protection, state that, The Clean Development Mechanism (CDM), a co-operative mechanism established under the Kyoto protocol, has the potential to assist developing countries in achieving sustainable development by promoting environment friendly investment from industrialized country governments and businesses. The funding channeled through the CDM should assist developing countries in reaching some of their economic, social, environmental, and sustainable development objectives, such as cleaner air and water, improved land use, accompanied by social benefits, such as rural development, employment, and poverty alleviation and in many cases, reduced dependence on imported fossil fuels. Cateora Graham, in International Marketing, has drawn a parallel line between green marketing and product development. The author has cited a variety of examples where the importance of green marketing has been laid focus on. Green marketing is a term used to identify concern with the environmental consequences of a variety of marketing activities. It very evident from the author's research and examples the packaging and solid waste rules are burdensome but there are successful cases of not only meeting local standards but also being able to transfer this approach to other markets. Philip Kotler and Kevin Lane Keller in Marketing Management has initiated the topic by discussing about the relevance of green marketing in the past few decades and has also discussed the explosion of environmentally friendly products. However, according to the author from the branding perspective green marketing programs have not been very successful. Marketers tried and failed with green sales pitches over the last decade because of certain obstacles which the movement encountered. The consumer behaviour is such that most consumers appear unwillingly to give up the benefits of other alternatives to choose green products. Along with definitions from different

sources, the authors Debraj Dutta and Mahua Dutta, of Marketing Management, have given an explanation of what is green marketing. According to the authors green marketing incorporates a broad range of activities including the modification of product, production process and packaging. The authors have also discussed a few literature sources that have focused on green marketing and its relevance in today's era. It was evident that the possible reasons because of which organizations engage in green marketing, K.K. Shrivastava & Sujata Khandai, the author of Consumer Behaviour in Indian Context, has discussed green marketing legislation in association with the multinational corporations. These face a growing variety of legislation designed to address environmental issues. Global concern for the environment extends beyond industrial pollution, hazardous waste disposal and rampant deforestation to include issues that focus directly on consumer products. Jacquelyn A. Ottman the author of Green Marketing: Opportunity for Innovation, has explained green marketing from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing new product development and communications and all points in between. According to the author environment should be balanced with primary customer needs. The so-called "green consumer" movements in the U.S. and other countries have struggled to reach critical mass and to remain in the forefront of shoppers' minds. The lack of consensus by consumers, marketers, activists, regulators, and influential people has slowed the growth of green products.

Challenges of green marketing: Implementing Green marketing is not going to be an easy job. The firm has to face many problems while treading the way of Green marketing. Challenges which have to be faced are listed as under:

- a) Green marketing encourages green products/services, green technology, green power/energy; a lot of money has to be spent on R&D programmes. Thus practicing green marketing initially will be a costly affair.
- b) The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they convince the customer about their green product, this can be done by implementing Eco-labeling schemes. Eco-labeling schemes offer its "approval" to "environmentally less harmless" products have been very popular in Japan and Europe. In fact the first eco-label programme was initiated by Germany in 1978.
- c) Initially the profits will be very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run.
- d) The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate
- e) the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.
- f) Many customers may not be willing to pay a higher price for green products which may affect the sales of the company.
- g) The firm may give up on Green marketing concept or be forced to practice unfair means to cut cost to sustain

in the competition and thus the entire idea of going green will be a farce.

- h) The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times there may be some who simply may not believe and cooperate.
- i) There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

Green products and its characteristics: The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown.
- Products those are recyclable, reusable and biodegradable.
- Products with natural ingredients.
- Products contents under approved chemical and non toxic.
- Products that do not harm or pollute the environment.
- Products that will not be tested on animals.
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

4 Ps of Green Marketing

Green Product

- The products have to be developed depending on the needs of the customers who prefer environment friendly products.
- Identify customers 'environmental needs and develop products to address these needs; or develop environmentally responsible products to have less impact than competitors.
- The increasingly wide variety of products on the market that support sustainable development and are good for the triple bottom line include:
 - Products made from recycled goods.
 - Products that can be recycled or reused.
 - Efficient products, which save water, energy or gasoline, save money and reduce Environmental impact.
 - Products with environmentally responsible packaging.
 - Products with green labels, as long as they offer substantiation.
 - Organic products - many consumers are prepared to pay a premium for organic products, which offer promise of quality.
 - A service that rents or loans products - such as toy libraries.
 - Certified products, which meet or exceed environmentally responsible criteria

Green Price

- Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value.

- This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.
- Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration

Green Place

- Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint.
- The choice of where and when to make a product available has a significant impact on the customers being attracted.
- Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.
- The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits

Green Promotion

- Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions.
- Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.
- Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund.
- The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust.
- Promote your green credentials and achievements. Publicize stories of the company's And employees 'green initiatives. Enter environmental awards programs to profile Environmental credentials to customers and stakeholders.

Green Companies in India: It's easy to feel vulnerable and frustrated when one hears news stories and articles highlighting the hazards of global warming, environmental pollution and other ill-effects of environment abuse. But,

increasingly companies are doing their bit to support the 'Go Green' campaign. Although most companies fall under categories that have more to do with reducing emissions or saving power, there are brands that have nothing to do with power and energy, who are working towards developing a greener environment. These companies give us products like television sets, computers, clothing, cosmetics, and so on products that we use on a daily basis.

LG India: South Korean consumer durables major LG Electronics recently introduced LG LED E60 and E90 series monitors in the Indian market. The LED E60 and E90 series monitors are packed with the eco-friendly features such as 40 per cent less energy consumption than the traditional LCD monitors. Also, the use of hazardous materials such as halogen or mercury is kept to minimal in this range. Globally, LG launched a range of eco-friendly products 'Eco-Chic' such as the platinum coated two-door refrigerator and washing machine with steam technology.

MRF Tyres: Next in the line to join the eco-friendly product wagon is the Indian tyre manufacturer MRF with its ZSLK series. The premium eco-friendly tubeless tyres MRF ZSLK are made from unique silica-based rubber compounds and promises to offer fuel efficiency for vehicle owners. The tyres had been tested extensively on Indian road conditions with emphasis on endurance, wet and dry braking, the company said in a statement. At present, the ZSLK series are available for models including Honda City/Civic, Ford Fiesta, Hyundai Santro, Maruti SX4, Wagon R, Skoda Octavia, Tata Indica, and Nissan Micra.

HCL: Last year, HCL launched its range of eco-friendly notebooks, HCL ME 40. HCL claims that this was India's first PVC free and eco-friendly notebook. This notebook is completely free from polyvinyl chloride (PVC) material and other harmful chemicals. Further, Bureau of Energy Efficiency has given HCL eco-friendly products a five-star rating, and they also meet REACH (REACH is the European Community Regulation on chemicals and their safe use) standards and are 100 per cent recyclable and toxin free.

ACC Ltd.: India-based cement manufacturer ACC has recently launched its eco-friendly brand, 'Concrete+'. This brand uses fly ash (a hazardous industrial waste) to help conserve natural resources, thus making it an eco-friendly product. The new product has been designed exclusively to ensure high durability and resistance of structures under extreme climate. Jayanta Datta Gupta, chief commercial officer of ACC Ltd, said that the new product is a result of continuous feedback from customers, influencers and dealers.

Haier: Haier India launches the green initiative with its 'Eco-Life' series, as a part of its global rebranding exercise. This is aimed at designing smart products which not only meet customer needs, but also adhere to environmental norms. The company's ecofriendly offerings include refrigerators, semi and fully automatic washing machines, split and windows air conditioners, a wide range of LED & LCD TVs and the Spa range of water heaters.

Fevicol: Fevicol, a leading brand of adhesive in India, has introduced environment friendly synthetic resin adhesive. Claiming to be India's first eco-friendly adhesive, Fevicol AC Duct King Eco Fresh, boasts of being an all-in-one adhesive.

The company says that this water-based adhesive has exceptional bonding strength and spreads smoothly at room temperature without emitting any toxic fumes. It is an ideal adhesive for AC Duct insulation for all residential and industrial projects. Speaking on the launch, Vishal Malhan, chief - marketing, Fevicol Division at Pidilite Industries said, "We, at Fevicol, were always concerned and worked towards developing and offering adhesives that contributed immensely to the betterment of health, safety and environment. As market leaders, it becomes our responsibility to take lead in caring and conserving our planet by using strong and secure adhesives."

Samsung Electronics: Samsung Electronics, a leading brand in display products, is continuing to evolve LED monitor technology by offering environmentally friendly monitors with its range of 50 and 30 series LED monitors. Samsung products have eco-friendly LED backlight, which contain few or no environmentally hazardous substances, such as mercury or lead. Additionally, it uses about 40 per cent less energy. Also, Samsung's Touch of Color (ToC) technology doesn't use paints, sprays or glues, ensuring they contain no Volatile Organic Compounds (VOCs), making recycling simpler and safer. Its other eco feature allows users to adjust a monitor's brightness based on different energy consumption levels with four preset energy-saving options to choose from. Samsung has also launched its advanced range of Split ACs, which claim to save up to 60 per cent energy.

Grass root Clothing: Eco-friendly line of clothing is fast growing fashion trend. Though it had a slow take off, it now has many takers. Anita Dongre has now joined the line of eco-fashion with her brand, Grass root."My eco-friendly brand Grass root is a 100 per cent environment friendly brand. We use certified eco-friendly & organic fabrics; we have partnered with number of NGOs who are engaged into providing and promoting the work of local artisans," says Anita Dongre. For the uninitiated, eco-fashion is a process of creating garments with environment friendly techniques and processes which are non-hazardous to the environment. Largely, eco-clothing uses organic cotton, bamboo jersey, viscose and linen, etc.

Vivanta by Taj Hotel Resorts & Palaces: Earth friendliness is the hallmark of the Vivanta line, just as it is at all Taj hotels. The parent company follows guidelines established at a United Nations Earth Summit and endorsed by nearly 200 countries. These green benchmarks are monitored by a leading worldwide certifier, Green Globe. Taj aims to bring the total of its Vivanta hotels to 30-plus in the next 2 years, totaling 5,000-plus guest rooms.

ITC Ltd.: ITC strengthened their commitment to green technologies by introducing 'ozone-treated elemental chlorine free' bleaching technology for the first time in India. The result is an entire new range of top green products and solutions: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.

Voltas: Air-conditioners, refrigerators and plasma or LCD TVs are going green with a vengeance. Next in the line is, Voltas from the Tata Group. In 2007, Voltas initiated the 'Green' range of air-conditioners, following which the government made it mandatory for home appliances to have energy star ratings. Energy Star is an international standard for energy efficient consumer products that originated in the US. Thus, devices carrying the star logo, such as computer

products and peripherals, kitchen appliances and other products, use about 20-30 per cent less energy than the set standards.

Panasonic India: Panasonic has an Econavi range of air conditioners and LCD screens which is once again based on energy conservation. Econavi home appliances use sensor and control technologies to minimize energy consumption, based on a family's lifestyle. For instance, a door-opening sensor and lighting sensor allows the refrigerator to learn the time periods when the family typically doesn't use - when they're sleeping or away from home. The refrigerator goes into sleep mode accordingly. Globally, Panasonic is aiming to become top green innovation company in the electronics industry by 2018 and is laying a lot of emphasis on eco-friendly products.

Nokia: Nokia has always takes steps to develop eco-friendly initiatives. It has also won the Greenpeace Award. The Finnish mobile company scored won this award mainly because of its back take-back program in India. It is also known for launching models free of PVC, brominated flame retardants and antimony trioxide. Now, it has launched a Nokia Bicycle Charger Kit (DC-14) in India. The bicycle charger kit works at walking speed (6 km/h) and when the speed reaches 50 km/h it stops charging. The charger is compatible with Nokia phones that have a 2mm charging interface, which includes most mid-range Nokia phones. The Nokia bicycle charger has an ergonomic design to make installation easier to suit different types of bicycles. The phone holder also has a rubberized design to hold the phone securely and protect it from shocks and vibrations.

Indus Ind Bank: Green banking has been catching up as among the top Indian green initiatives ever since IndusInd opened the country's first solar-powered ATM and pioneered an eco-savvy change in the Indian banking sector. The bank is planning for more such initiatives in addressing the challenges of climate change.

Wipro: The other company to launch wide range of eco-friendly desktops is Wipro. Introduced under the Wipro Green Ware initiative, these products aim to cut down e-waste in environment. Here, the systems launched are toxin free and operate under a total recycling policy. With the removal of the toxins, recycling of the electronic products would be safer, say company executives. Wipro has 17 e-waste collection centers in India where products are collected and recycled. Also, 12 Wipro campuses in the country have been certified as green buildings.

Hero Honda Motors: Hero Honda is one of the largest two-wheeler manufacturers in India and an equally responsible top green firm in India. The company's philosophy of continuous innovation in green products and solutions has played a key

role in striking the right balance between business, mankind and nature.

Conclusion

Every business requires profit and sustainability in this global market. So, the corporate need to select new strategies like Green marketing it's a new tool for Organization development. The marketers hence can explore and tap consumer behavior and organization requirement. Thus "Go green" is the next magical word to enhance business successfully. Finally, Organizations, consumers and suppliers need to pressurize effects on minimizing the negative effects on the environment. Organizations need to realize that by implementing green marketing they have to reduce production cost, to satisfy corporate social responsibility, more competitive, enhance good products and for maintaining Healthy Customer relationship management. The Organizations have to give more awareness of green products and importance of environmental protection then they run globally. Green marketing assumes even more importance and relevance in developing Organizations globally.

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