



## ORIGINAL RESEARCH PAPER

## Management

### A STUDY OF EVOLUTION AND PRACTICE OF GREEN MARKETING BY VARIOUS COMPANIES IN RAJASTHAN

**KEY WORDS:** green marketing, pollutants, eco-labeling, environment, global warming.

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#### ABSTRACT

Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development due to global warming, non-biodegradable solid waste, harmful impact of pollutants etc. Green Marketing is the solution to this problem, which is 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 into the industry. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. This paper tries to study the feasibility of practicing green marketing with special reference to small and medium scale manufacturers in Jaipur city and its suburb (India). It analyses whether these manufacturers are aware about green products and eco-labeling, and also the difficulties in implementing green marketing.

#### INTRODUCTION

With the acceptance of the idea to conduct business with the motive "to increase profits through service", a new marketing concept known as green marketing has emerged. The term green marketing came first into foray in the late 1980s and early 1990s due to increasing environmental concerns. The companies were compelled to consider the externalities of their products and their eventual negative impact on the planet. The result of such deliberations was the alternative available to the companies to "go green". Green marketing, also known as Environmental marketing or Ecological marketing, includes all the marketing activities of the firm, starting from conceiving the product idea to the actual sale of the product, which are designed with the objective to either create a positive impact or reduce the negative impact of its products on the environment. This is done in order to cash in on growing customers' concern about environmental degradation. Simply stated, green marketing sells the idea of relatively superior environmental characteristics of a company's product and service offerings. Green marketing has its roots in the ideas of environmental protection and sustainable development. It is closely related to ethics of the business. The challenge here for the businesses is to find better alternatives to traditional marketing which are affordable and hence, become widely acceptable.

#### Definition

The definition of Green or Environment Marketing has yet to be standardized, which poses a problem to Green Marketing. Consumers often associate terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environment Friendly with green marketing.

According to the American Marketing Association (AMA), Green Marketing can be defined in three different ways: First, Green marketing is the marketing of products that are presumed to be environmentally safe (Retailing Definition). Second, Green Marketing is the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality (Social Marketing Definition). Third, Green Marketing is the efforts by organizations to produce, promote, package, and reclaim products in a manner that it is sensitive or responsive to ecological concerns (Environmental Definition).

Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment.

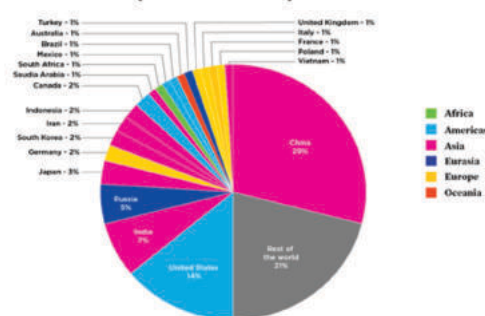
The Government in near future is going to adopt stringent policies to enable sustainable development. The marketers should realize this and head on towards Green Marketing.

Indian Government has already introduced Environment Protection Act in 1986 and Environment Audit in 1992, the marketers have to realize that with increasing amount of global warming and environmental harm caused due to industrialization and economic development, the Government is going to apply stringent policies to save environment and is going to be even more strict with regards to the development which will cause a severe threat to the environment. The environmental harm which is mainly due to green house gas emissions has caused a severe threat to the climatic conditions and the result of which can be seen in the form of droughts, scarcity of drinking water, floods ruining the agricultural produce etc. The Indian Government has ratified the Kyoto Protocol in August 2002 and will compel companies to account for the environmental damage caused due to business operations, and take stringent action against those organizations which cause harm to the environment. The G20 leaders are trying to curb the emissions to protect the earth and achieve development which is sustainable in nature.

#### Carbon Emissions

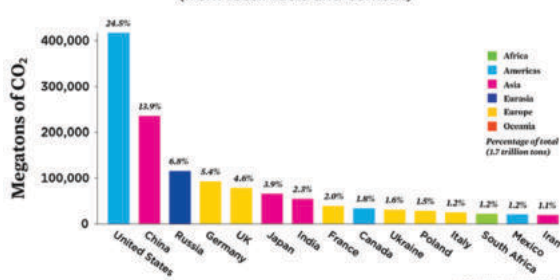
The following figure shows carbon dioxide emissions, in million metric tons of carbon, of various nations:

**Top Annual CO<sub>2</sub> Emitting countries, 2019**  
(from fossil fuels)



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Data: IEA Atlas of Energy

**Top CO<sub>2</sub> Emitting Countries, 1750-2020**  
(from fossil fuels and cement)



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Data: Global Carbon Project via Our World in Data

From the above figure we can see that though India has less emission as compared to other developed nations but the increased industrialization and development will lead to increased rate of green house gas emissions. However, the U.S. and other Western nations assert that India, will account for most of the emissions in the coming decades, owing to rapid industrialization and economic growth. The most important thing a company should consider is to be "green," i.e. to reduce the amount of toxic or other dangerous substances in their products, and to manufacture/trade in environment friendly products and practice green business strategies. Thus the marketer should go on for Green Marketing Techniques.

### Literature Review

The term Green Marketing came into existence in the late 1980s and early 1990s. The American Marketing Association (AMA) organized the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first book on green marketing entitled "Ecological Marketing". Two tangible milestones for green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992), in the United Kingdom and by Jacquelyn A. Ottman (1993), in the United States of America. The evolution of green marketing has evolved steadily over the period of time.

Charter (1992), has defined green marketing as a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being. Pride and Ferrell (1993), Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. Polanski (1994) has defined green marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Oyewole, P. (2001): he defines a conceptual link among green marketing, environmental justice, and industrial ecology. He argues for greater awareness of environmental justice in the practice for green marketing. In his paper he identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it Pavan Mishra & Payal Sharma (2010), 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. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods.

The concentration of CDM projects in the more industrialized states is understandable, given that the industrial sector is

particularly amenable to mitigation. However, the lacklustre performance of the CDM in the less industrialized states also means that the Indian government is not fully capitalizing on the CDM's potential to contribute to sustainable development. In contrast to China, where the central and provincial governments offer institutional support to CDM project developers, India's liberal approach to the CDM prevents the less industrialized states from benefiting from the investment opportunities that the CDM creates.

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 Clean Development Mechanism (CDM) allows industrialized countries to cost-effectively reduce their greenhouse gas emissions while promoting sustainable development in countries that host CDM projects (Grubb 2003). India is one of the world's largest hosts of such clean development projects. From 2003 to 2011, a total of 2,295 projects – around one-quarter of the global total – had been registered with India's Designated National Authority for the Clean Development Mechanism.

To improve the CDM's contribution to sustainable development in India, the Government of India should consider investing in capacity building in those less developed states that are implementing few CDM projects relative to their population, such as Bihar and Uttar Pradesh. For example, the government could establish information centres that help investors identify profitable opportunities for project implementation and advise them with legal and regulatory affairs.

The capacity building initiative could be hosted by the Ministry of Environment and Forests, for example. India's vast economy offers many opportunities for cost-effective carbon abatement, but identifying and exploiting these opportunities is often difficult under the current mechanism. This is a result of a lack of information and the high costs of implementing any projects, and this combination is particularly severe in those less developed states that have little experience with such projects. By facilitating investments in the Clean Development Mechanism in the areas that need them the most, the Indian government could reap the double benefit of climate mitigation and economic development.

### Challenges in Green Marketing in India New Concept

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. 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 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.

### Avoiding Green Myopia

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but

does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability

### Need for Standardization

It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. 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.

### Costly Technology

Green products require renewable and recyclable material, which is costly. It requires a technology, which requires huge investment in R & D. The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

### Green Marketing Practices in India

**IDEA Cellular**, go green with its 'Use Mobile, Save Paper' campaign. The company had organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendril climbers to convey the green message.

**Oil and Natural Gas Company (ONGC)**, India's largest oil producer, ONGC, is all set to lead the list of top 10 green Indian companies with energy efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

**Suzlon Energy**, the world's fourth largest wind-turbine maker is among the greenest and best Indian companies in India. Tulsi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon's corporate building is the most energy efficient building ever built in India.

**ITC Limited**, company 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.

**Wipro Technologies**, announced its membership in "The Green Grid", a global consortium dedicated to advancing energy efficiency in data centers and business computing ecosystems. Wipro's green IT initiatives extend from energy efficient data centers to eco friendly product engineering designs and PC ranges.

Wipro will broaden its green IT initiatives through its participation in "The Green Grid", as the consortium seeks to provide industry-wide recommendations on best practices, metrics, and technologies that will improve overall data center and business computing energy efficiencies.

**HCL Technologies**, 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 and Brominated Flame Retardants from its products and has called

for a Restriction on Hazardous Substances (RoHS) legislation in India.

The MNCs and large scale organizations are now aware and are practicing environment friendly practices in the country.

### Godrej Green Center:

Godrej set up a „Godrej green center, which claims to be energy, water, and construction material-efficient, improving human health and the environment through better design, operation, construction, maintenance, and proper waste disposal. Godrej green buildings have created the momentum for the change in the Indian construction industry.

**State Bank of India: Green IT@SBI**, SBI is also entered into a green service known as Green Channel Counter. S.B.I. provides many services like; paperless banking, no deposit slip, no withdrawal form, no checks, no money transactions form. All these transactions are done through S.B.I. shopping & A.T.M. cards. State Bank of India turns to wind energy to reduce emissions.

**Tata's new mantra: going green The ideal global benchmark is 1.5**, Tata Motors is establishing an eco-friendly showroom using natural building material for its flooring and energy-efficient lights. Tata Motors said the project is at a preliminary stage.

**H.P.'s Initiative**, H.P.'s inkjet recycling was introduced in the year 2005, and it achieved resource reduction by Recycling between 2005-2010, Recycling decreased the carbon footprint of the inkjet cartridges by 22 %, cut fossil fuel use in half, and reduced water use by 69 %. It has launched various energy-efficiency programs like the Closed Loop recycling program, recycled content in hardware, H.P. Managed Print Services, innovative packaging, and designs. Seagate Technology, an H.P. supplier, used 11 percent less energy in 2013 to produce hard drives than its 2008 baseline. By 2020, the company aims to reduce its first-tier manufacturing and product transportation-related GHG emissions intensity by 20 percent.

### Pepsi Co. initiative

Pepsi was awarded, "Stockholm Industry Water Award" in 2012 for its efforts to reduce energy and water usage across its business operations. Its sustainability efforts also include working with farmers to monitor water usage and carbon emissions and maximize crop yields. In the year 2011, it launched a petroleum-free bottle that was 100% recyclable. It was made from bio-based raw materials, including switch grass, pine bark, and corn husks. As part of its 2025 Performance with Purpose plan, it has pledged to reduce food waste by 50 % in its direct operations by 2025.

### Objectives of the Study

1. To find out whether the small and medium scale manufacturers believe in eco-friendly practices.
2. To find out whether the small and medium scale manufacturers are aware of green marketing concept.
3. To investigate whether green marketing gives a competitive edge to the manufacturers.
4. To suggest the measures to enhance the practice of green marketing.

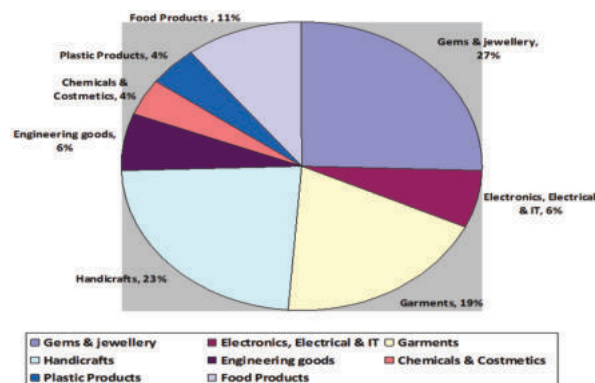
### METHODOLOGY

This is an Empirical research on small and medium scale manufacturers situated in Jaipur, Rajasthan. The data is collected through survey method with the help of questionnaire. The 100 respondents were the sample size for the questionnaire. The universe of this research project is Jaipur city.

### Findings

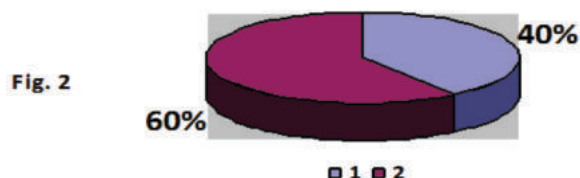


The research is based on primary data collected through questionnaire. The research is useful to know the feasibility of practicing green marketing in case of small and medium scale manufacturers in Jaipur city and its suburb (Rajasthan, India). It analyses whether these manufacturers are aware about green products and eco-labeling, and also the difficulties in implementing green marketing. The findings are as under: The respondents were classified under the following categories based on the type of product manufactured and the percentage was derived, which were as under:



The figure 1 and table 1 shows that 19% respondents were manufacturing garments; 4% manufactured chemical and cosmetic products; 6% manufactured electronic products; 27% manufactured Jewelry, 11% Food products; remaining 4% manufactured Plastic products and Steel products.

In figure 2, we can see that 40% manufacturers manufactured standard and branded products.



In figure 3, we can see that 65% believed in adopting eco-friendly practices 27% said they do not believe since it inflated their cost, and 8% did not comment on it.

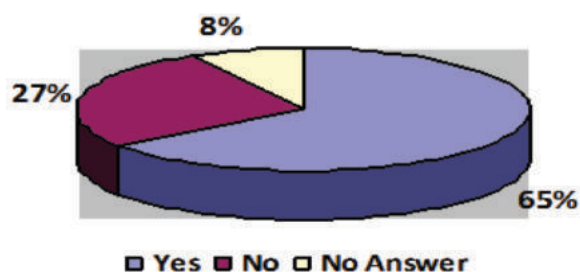
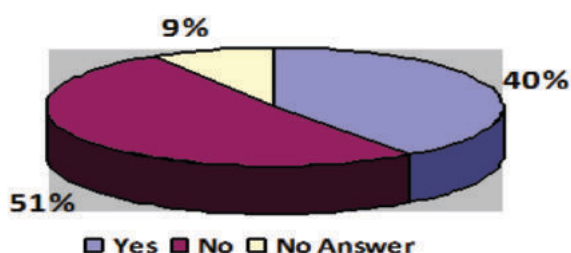
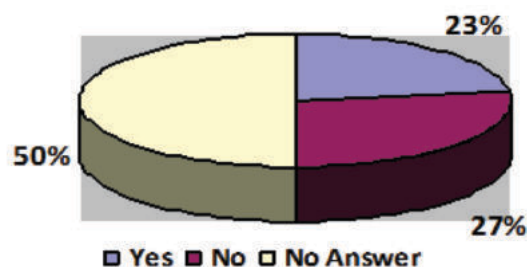


Fig.3

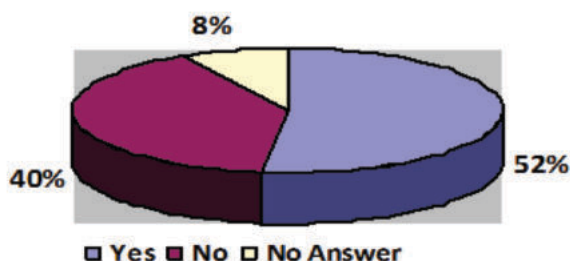
In figure 4, we can see that 40% manufactured green products, 51% said that their product was not a green product, 5% did not answer as they were not aware of green products.



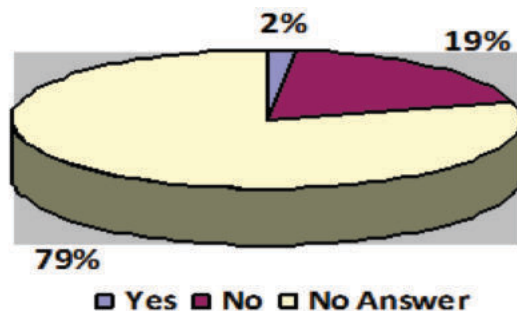
In figure 5, we can see that from the above 51% manufacturers whose products were not green, 23% of them were planning to go in for green products, 27% said that it is not required for their products, 50% had not decided therefore they did not respond.



In figure 6, we can see that 52% were aware of Eco-Label, 40% were not aware and 8% denied to answer.



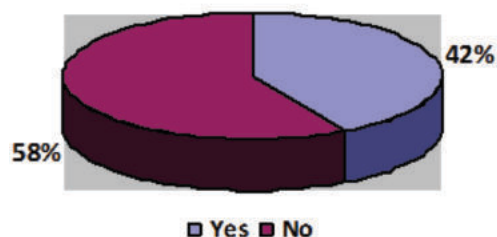
In figure 7 we can see that only 2% are planning to get eco-labeling done for their products. 19% said they have not yet thought of eco-labeling and 79% were not ready to answer.



In figure 8 we can see that 78% believed that eco-labeling has/will increased their cost and clearly 22% said that it did not affect their cost.



In figure 9 we can see that 42% felt that prospect may not buy eco-friendly products which are costlier, 58% disagreed.



In figure 10 we can see that 73% felt that eco-labels will be given them competitive edge, 24% denied it and 3% did not answer.

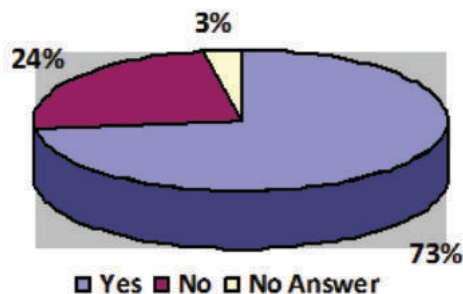
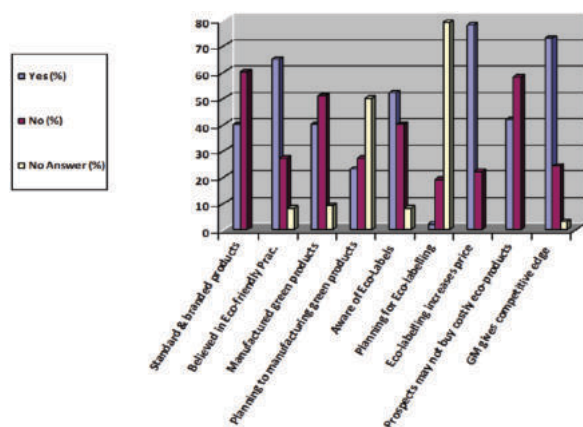


Figure 11 shows the consolidated graphical presentation of the responses of the various manufacturers



Thus it can be summarized that Eco labeling is still not popular in small and medium scale manufacturers though 65% of the manufacturers feel and believe in adopting eco friendly practices, only 40% are actually into manufacturing of green products, 51% have actually denied to go in for manufacturing of green products since it increases the cost, in such cases financial assistance from the Government is required; and 9% were not ready to answer only 2% are planning to get eco-labeling done for their products. 19% said they have not yet thought of eco-labeling and 79% were not ready to answer, 73% feel that eco-labeling will give them competitive edge but at the same time they need to curtail the prices.

## CONCLUSION

From the above we can conclude that Green marketing is not going to be an easy concept. The firm has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Government and Social organizations may compel all the organization to practice Green Marketing for sustainable development. Customers too will be ready to pay premium price for green products. A smart marketer is one who not only convinces the consumer, but also involves him 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 societal and environmental dimensions. Marketers also have the responsibility to make the stakeholders aware about the need and the advantages of green products. The green marketers will have full support of the Government, and the consumers also will not mind paying more for a cleaner and greener environment. Business firms need to change their mind set from traditional marketing strategies to green marketing strategies with a huge investment in technology, Research & Development and through Green marketing elements such as

eco-design of a product, eco-labeling, eco-packaging, green logo in order to survive in the green competitive world and to have a positive impact on the environment.

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