

---

## **GREEN MARKETING: SUSTAINABLE MARKETING STRATEGY**

**\*Akash Deepak Agrawal and  
\*Manoj Das**

*(\*Faculty, DattaMeghe Institute of Management Studies, Nagpur.)*

---

### **Abstract:**

Green marketing is a phenomenon which is rapidly gaining importance in the modern market. It has redefined the way of marketing as well as packaging products; also there is an increasing trend among companies to adopt this concept for portraying an environment friendly as well as a socially responsible organization. Even consumers are becoming increasingly concerned about the effect of environment by the products being used by them, leading to an integration of environmental issues in their purchase decisions. Hence corporates are facing the double dilemma of balancing the consumer needs, using environmentally friendly material & keeping the costs low.

**Purpose** - The study seeks to explore the factors which influence the consumer attitude and behavior towards green practices in India and also to explore the consumers' intentions to pay for these practices. It also seeks to uncover different areas of concern like the awareness level among consumers regarding the concept of green marketing, their views regarding different factors governing it like availability of eco friendly substitutes in place of plastic. This paper also examines whether consumers would be willing to pay extra for eco friendly materials as well role of different parties like government, corporate etc in

implementing these practices.

**Design/methodology/approach** - A quantitative and qualitative research methodology using a questionnaire along with secondary research has been proposed. A structured questionnaire has been used using convenience-sampling technique from Nagpur Region in India.

**Key words:** Eco friendly, Environment Friendly, Green marketing.

### **Introduction**

In recent times, the environment has emerged as a hot issue for societies, governments, in addition to business organizations. Its significance originates from escalating environmental degradation such as solid wastes, ozone depletion, global warming, and air pollution. These days, a large number of respondents all over the world state that they are concerned or very concerned with environmental problems (Diekmann&Franzen, 1999; Dunlap & Mertig, 1995). Because customers have understood the significance of protecting the environment, environmentalism has become an essential subject in the marketplace (Kalafatis et al., 1999). According to Makower (1993), the 1960s was the age of "green awakening", the 1970s was the years of "taking action" the 1980s was an

"accountable" time and the 1990s was "power in the marketplace" time. Over those years, people started demanding environmentally friendly products and services, and the organizations felt political and public pressure to go green. The necessity to increase consumers' awareness of corporate efforts to meet sustainable standards, the need to identify consumers' preferences for green products, the possibility of charging a premium price gave rise to a new trend in the marketing field, the so-called Green marketing (Peattie and Crane, 2005).

"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 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 Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Many organizations want to turn green, as an increasing number of consumers' want to associate themselves with environmental-friendly products.

According to Jacquelyn Ottman, (author of "The New Rules of Green Marketing:

Strategies, Tools, and Inspiration for Sustainable Branding" (Greenleaf Publishing and Berrett-Koehler Publishers, February 2011) from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing - new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs. The past decade has shown that harnessing consumer power to effect positive environmental change is far easier said than done. 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. While public opinion polls taken since the late 1980s have shown consistently that a significant percentage of consumers in the U.S. and elsewhere profess a strong willingness to favor environmentally conscious products and companies, consumers' efforts to do so in real life have remained sketchy at best. One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green," according to Joel Makower, a writer on green marketing. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus-by consumers, marketers, activists, regulators, and influential people-has slowed the growth of green products, says Makower, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims

Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services.

### **3 R's Of Environmentalism are:**

Reduce.  
Re-use.  
Recycle.

The popularity of such marketing approach and its effectiveness is hotly debated. Supporters claim that environmental appeals are actually growing in number-the Energy Star label, for example, now appears on 11,000 different companies' models in 38 product categories, from washing machines and light bulbs to skyscrapers and homes. However, despite the growth in the number of green products, green marketing is on the decline as the primary sales pitch for products. On the other hand, Roper's Green Gauge shows that a high percentage of consumers (42%) feel that environmental products don't work as well as conventional ones. This is an unfortunate legacy from the 1970s when shower heads sputtered and natural detergents left clothes dingy. Given the choice, all but the greenest of customers will reach for synthetic detergents over the premium-priced, proverbial "Happy Planet" any day, including Earth Day. New reports however show a growing trend towards green products.

One challenge green marketers -- old and new -- are likely to face as green products and a message becomes more common is confusion in the marketplace. "Consumers do not really understand a lot about these

issues, and there's a lot of confusion out there," says Jacquelyn Ottman (founder of J. Ottman Consulting and author of "Green Marketing: Opportunity for Innovation.") Marketers sometimes take advantage of this confusion, and purposely make false or exaggerated "green" claims. Critics refer to this practice as "green washing".

### **Literature Review**

Polonsky and Alma (2008), in their edited book titled Environmental Marketing - Strategies, Practice, Theory and Research, discuss the role of marketing in improving our environment. The book states that role of Marketing in the development process is well recognized (Kinsley 1982; Riley et al. 1983; Dholakia 1984; Carter 1986; Kotler 1986). Much of the economic activity is triggered by the marketing process that offers and stimulates consumption opportunities to satisfy human needs and wants. However, critical role of marketing in development will be appreciated only through sustainable marketing; it meets the needs of the present without compromising the ability of future generations to meet their own needs. This means that it might have to shed its present profligacy that encourages an unsustainable development path. A marketing approach that aims at serving the material wants of consumers through an ever increasing volume of goods without any attempt to maximize life quality (Kotler 1988), draws too heavily, and too quickly, on already overdrawn environmental resources and is likely to mortgage the future. Life quality represents not only the quantity and quality of consumption goods and services but also the quality of the environment. Clearly, marketing has to assume a more responsible role for sustainable development. It further states that the concept of a socio-ecological product?

has to extend our understanding that environmental consequences (the products aggregate impact on everyone affected by its use) are more important determinants of its acceptability than either user satisfaction or corporate profitability (Cracco and Rostenne 1971).

Recently, Athens Laboratory of Research in Marketing in collaboration with the Center of Sustainability has done a research about the green marketing which revealed that about ninety two percent of customers have a favorable attitude concerning the businesses that are susceptible on ecological issues (Papadopoulos et al., 2009). Beside, environmentally concerned people who believe that pollution is a problem and also have a favorable attitude toward greening environment are more inclined to purchase green products. Hence, as people become aware of environmental problems, their attitudes and purchase intentions may in turn change. In marketing literature purchase intention has been an important concept. To forecast the adaptation of new products as well as repeat purchases of existing ones, most companies used consumers purchase intention. Prior studies have exposed that consumer with intentions to buy product exhibit higher actual buying rates than those customers who demonstrate that they have no intention of buying (Brown, 2003).

D'Souza et al., (2006) reported that generally perception of green products is negatively associated with customer's intention to purchase them if they are of higher prices and low quality in comparison to traditional products. Consequently, it may be argued that there is an expectation on the part of customers that all products offered should be

environmentally safe without a need to sacrifice quality. Hence, as far as the product quality is concerned, green consumers will not compromise on it, so businesses must enhance green product quality as well as focus on environmental benefits of a product, and share these aspects with customers in order to achieve the recognition in the market (D'Souza., Taghian & Lamb, 2006). Schlegelmilch., Bohlen and Diamantopoulos (1996) recommended that those organizations aiming to enhance market penetration of the existing green products offerings must launch an advertising campaign directed at increasing concern about environmental quality in the consumer base.

Second, organizations make it possible that their products perform competitively in other dimensions. If these two things are achieved, then environmental considerations will no longer take back seat in purchasing decision. Furthermore, perceived risk is lower in most popular brands than for those less well-known. So customers generally trust on these brand and are not ready to compromise on quality. Therefore like non-green alternative, green product must function effectively (Pickett-Baker & Ozaki, 2008). According to Tang et al., (2004), a wealth of literature shows that there is a troublesome gap between what consumers says, they will do and how they actually behave. Most of the consumers say that they choose a product because of its environmentally friendly nature, but they do not make actual allocations of dollars in purchases.

Therefore, environmental concerns are not the only reason for the customers to purchase environmentally friendly products, and also they do not agree to trade-off other product

attributes for a better environment. This reveals that traditional product characteristics such as brand name, its price and quality are still the most important ones that consumers considered when making purchasing decision (Gan, Wee. Ozanne& Kao, 2008).

Another study revealed that many consumers are unwilling to forgo essential product benefits during their purchase decision. So, green products must also perform competitively not only according to environmental aspects, but also on the basis of other important product characteristics for instance convenience or durability (Diamantopoulos, A., Schlegelmilch, B. B., Sinkovics, R. R. and Bohlen, G. M, 2003). Moreover, now Firms recognized that the future prospects for green goods remain bleak, until/ unless they can balance environmental compatibility with customers' primary desire for high quality products that perform well. Because, it is not comprehensible for customers to pay more for a product that does not offer basic benefits, whatever the environmental benefits (Wong, V., Turner, W. & Stoneman, P, 1996).

### **Top 10 green Indian companies**

#### **1) 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.

#### **2) ITC Limited**

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.

#### **3) Tata Metaliks Limited (TML)**

Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

#### **4) Tamil Nadu Newsprint and Papers Limited (TNPL)**

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

#### **5) Wipro Technologies**

The list of top 10 green Indian companies is never complete without Wipro which climbed to the top five brand league in Green peace's 'Guide to Greener Electronics' ranking. Despite the global financial crisis, Wipro held fast to its commitment towards energy efficiency and was lauded for launching energy star compliant products in the market.

### **6) HCL Technologies**

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 and Brominated Flame Retardants from its products and has called for a Restriction on Hazardous Substances (RoHS) legislation in India.

### **7) 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.

### **8) Indus Ind Bank**

Green banking has been catching up as among the top Indian green initiatives ever since Indus Ind 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.

### **9) IDEA Cellular**

One of the best Indian companies, IDEA, paints India green with its national '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 tendrils to convey the green message.

### **10) 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.

#### **Objectives of the study:**

- 1) The study seeks to explore the factors which influence the consumer attitude and behavior towards green practices in India.
- 2) It also seeks to uncover different areas of concern like the awareness level among consumers regarding the concept of green marketing, their views regarding different factors governing it like availability of eco friendly substitutes in place of plastic.

Hypothesis Development on the basis of Literature review:

#### **H0-**

Consumers are not aware regarding the concept of green marketing.

Consumers are not willing to switch to eco-friendly materials.

Consumers are not willing to pay extra for eco friendly material.

#### **H1 -**

Consumers are aware regarding the concept of green marketing.

Consumers are willing to switch to eco-friendly materials.

Consumers are willing to pay extra for eco friendly material.



**Data Analysis:**

From graph1 it is seen that

Source of information regarding the concept of green marketing	% Response	Cumulative %age
Media	36	36
Friends& Family	13	49
Shopkeepers	18	67
Neighbors	13	80
Other	20	100

It was found that 36% of people came to know about green marketing through Media, 13% from family, 18% from shopkeepers, 13% from neighbors & 20 % from other sources.

From graph 2 it is seen that

Rank your opinion about plastic as a major source of pollution on following scale.	% Response	Cumulative %age
Strongly agree	34	34
Agree	26	60
Neutral	18	78
Strongly disagree	12	90
Disagree	10	100

It was found that 34% of people strongly agree for plastic as a source of pollution, 26% are agree, 18% are neutral, 12% are strongly disagree, and 10% are disagree.

From graph 3 it is seen that

Which of the following according to you is the most preferred alternative to Plastic bags in your opinion	% Response	Cumulative %age
Paper	19	36
Jute	11	49
Leaf packaging	18	67
Glass	9	80
Biodegradable Polymers	40	100

It was found that 19% people prefer paper as a alternative source for plastic, 11% for jute, 18% for leaf packaging, 9% for glass, and 40 % to biodegradable polymer as alternative for plastic.

From graph 4 it is seen that

How much more would you be willing to pay for Green Packaging	% Response	Cumulative %age
Up to 5%	29	29
5-10%	31	60
Above 10%	8	68
No	32	100

It was found that people ready to pay more for green marketing in range of up to 5% are 29% people, between 5 to 10 % are 31%, Above 10% are 8%, and customer those who are not ready to pay extra money for green marketing are 32%.

From graph 5 it is seen that

In your opinion, who should be more proactive in reducing plastic usage	% Response	Cumulative %age
Government	32	32
Retailers	38	70
FMCG Manufacturers	15	85
Consumers	15	100

It was found that 32% people think that government should be more proactive in reducing plastic usage, 38% people think retailers, 15% think FMCG Manufacturer, and 15% people think consumer.

From graph 6 it is seen that

In your opinion which of the following is the biggest advantage of using eco-friendly materials.	% Response	Cumulative %age
Reduction of cost	12	12
Reduced resource consumption	10	22
Reduced pollution	42	64
Increased customer satisfaction	5	69
Reduced use of Hazardous /Non degradable material	31	100

It was found that different advantages of using eco-friendly materials are from Reduction of cost 12%, reduced resource consumption 10%, Reduced pollution 42%, Increased customer satisfaction 5%, Reduced use of Hazardous /Non degradable material 31%.



From graph 7 it is seen that

Do you Support the Policy of green package design	% Response	Cumulative %age
Yes	59	59
No	22	81
Not Necessarily	19	100

It was found that 59% people say good to following policy of green package design, 22% say No, and 19% say not necessary.

From graph 8 it is seen that

Do you think "Green Culture" will be the most important trend in 21 <sup>st</sup> century marketing initiatives	% Response	Cumulative %age
Strongly Disagree	9	9
Disagree	6	15
Neutral	5	20
Agree	25	45
Strongly Agree	55	100

It was found that 9% people are strongly disagree, 6% are disagree, 5% are neutral, 25% are agree, 55% are strongly disagree for "Green Culture" will be the most important trend in 21<sup>st</sup> century marketing initiatives

From graph 9 it is seen that

Do you think green packaging will increase products market value	% Response	Cumulative %age
Strongly Disagree	9	9
Disagree	19	28
Neutral	5	33
Agree	14	47
Strongly Agree	53	100

It was found that 9% people are strongly disagree, 6% are disagree, 5% are neutral, 25% are agree, 55% are strongly disagree for green packaging will increase products market value.

From graph 10 it is seen that

Do you think extravagant packaging will increase products market value	% Response	Cumulative %age
Yes	73	73
No	17	90
Not Necessarily	10	100

It was found that 73% people say yes, 17% people say No, and 10% people say not necessary to Extravagant packaging will increase products market value.

From graph 11 it is seen that

What factors according to you are governing growing awareness regarding green packaging	% Response	Cumulative %age
Regulatory requirement	37	37
Increased Media Attention	47	84
Consumer requirements	13	97
Competitive Pressures	3	100

It was found that 37% say Regulatory requirement, 47% say Increased Media Attention, 13% say Consumer requirements, and 3% say Competitive Pressures are governing growing awareness regarding green packaging.

From graph 12 it is seen that

What according to you are the challenges in implementing the concept of green marketing	% Response	Cumulative %age
Cost	47	47
Comparable quality	8	55
Lack of Alternatives	21	76
Raw material Prices	8	84
Compatibility with existing systems	5	89
Lack of Standards/ Metrics	11	100

It was found that, 47% people find Cost as a challenge for green marketing, 8% to Comparable quality, 21% to Lack of Alternatives, 8% to Raw material Prices, 5% to Compatibility with existing systems and 11% to Lack of Standards/ Metrics.

### Conclusion

From the above we can conclude that Green marketing is not going to be an easy concept. The firms as well as government will have to plan and then carry out research to find out how feasible it is going to be, since this concept 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. 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 as environmentalism is on the rise.

## Green Packaging- Sustainable marketing strategy Questionnaire on Awareness of Green Marketing & its acceptance (Consumer Perspective)

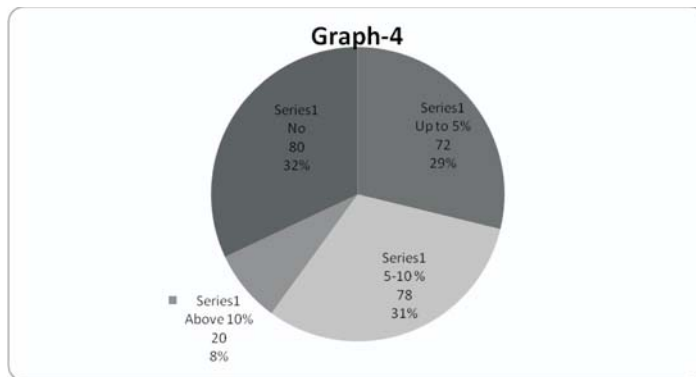
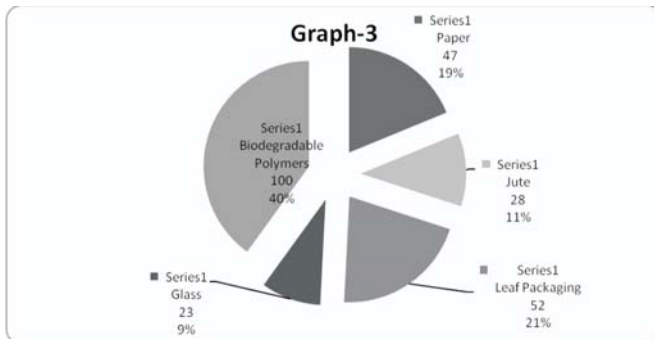
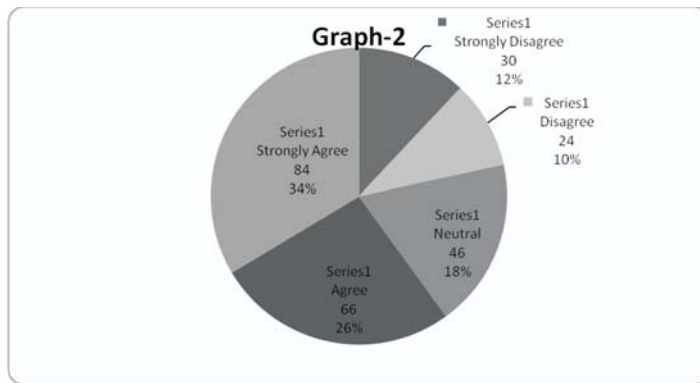
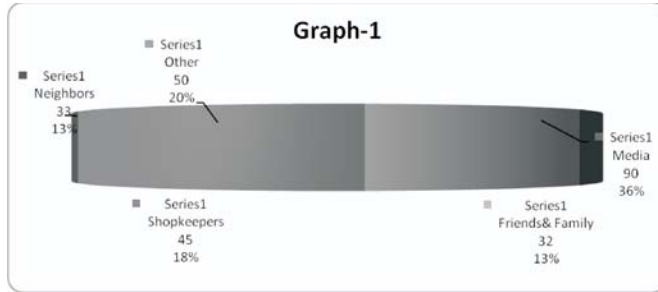
Personal Details	
Name:	
Address:	Gender:
	Occupation:

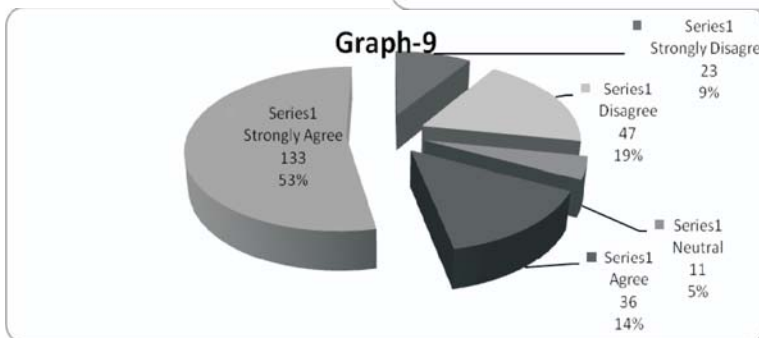
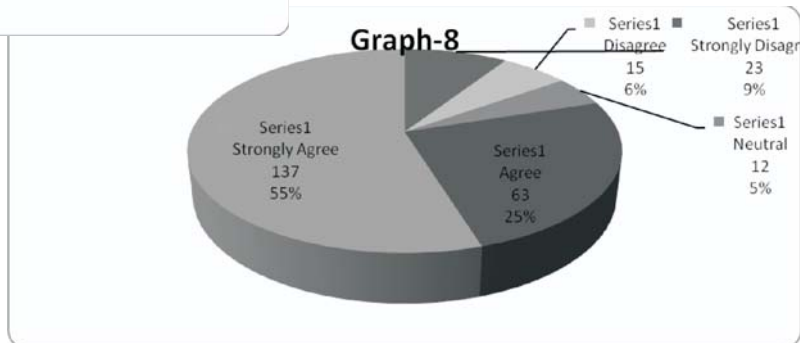
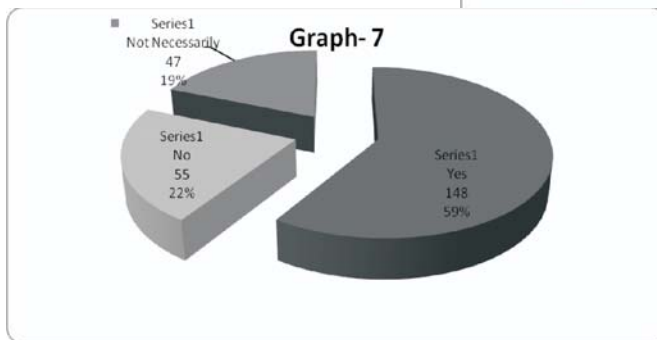
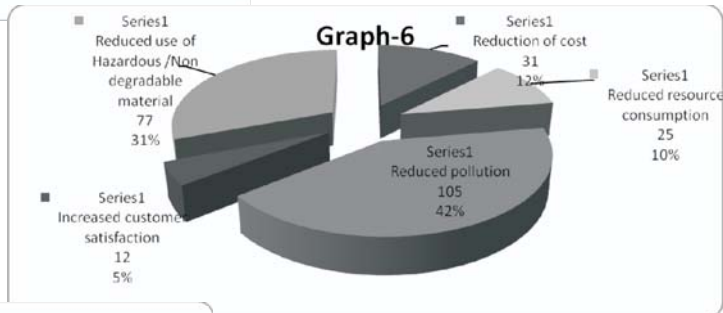
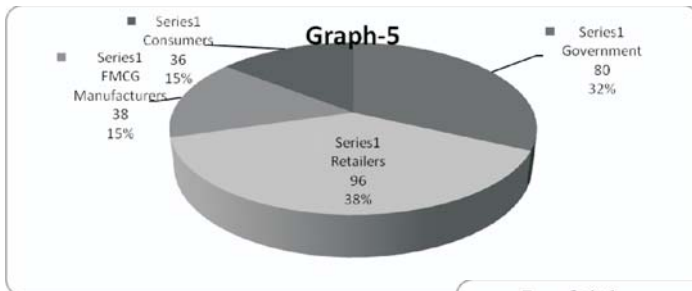
### (Please Tick whichever is applicable)

1. Do you Use Plastic Bags? Yes  No
2. Are you aware of plastic being a source of pollution? Yes  No
3. Are you aware regarding the concept of green marketing?
4. If yes, from which source did you came to know about it?  
Media  Friends& Family  Shopkeepers  Neighbors   
Other (specify) \_\_\_\_\_
5. Rank your opinion about plastic as a major source of pollution on following scale  
Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
6. Which of the following according to you is the most preferred alternative to Plastic bags in your opinion?  
Paper  Jute  Leaf Packaging  Glass  Biodegradable Polymers
7. How much more would you be willing to pay for Green Packaging?  
Up to 5%  5-10 %  Above 10%  No
8. In your opinion, who should be more proactive in reducing plastic usage?  
Government  Retailers  FMCG  Manufacturers  Consumers
9. In your opinion which of the following is the biggest advantage of using eco-friendly materials?  
Reduction of cost  Reduced resource consumption  Reduced pollution   
Increased customer satisfaction  Reduced use of Hazardous /Non degradable material
10. Do you Support the Policy of green package design?  
Yes  No  Not Necessarily
11. Do you think "Green Culture" will be the most important trend in 21st century marketing initiatives?  
Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
12. Do you think green packaging will increase products market value?  
Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
13. Do you think extravagant packaging will increase products market value?  
Yes  No  Not Necessarily
14. What factors according to you are governing growing awareness regarding green packaging?  
Regulatory requirement  Increased Media Attention  Consumer requirements   
Competitive Pressures
15. What according to you are the challenges in implementing the concept of green marketing?  
Cost  Comparable quality  Lack of Alternatives  Raw material Prices   
Compatibility with existing systems  Lack of Standards/ Metrics

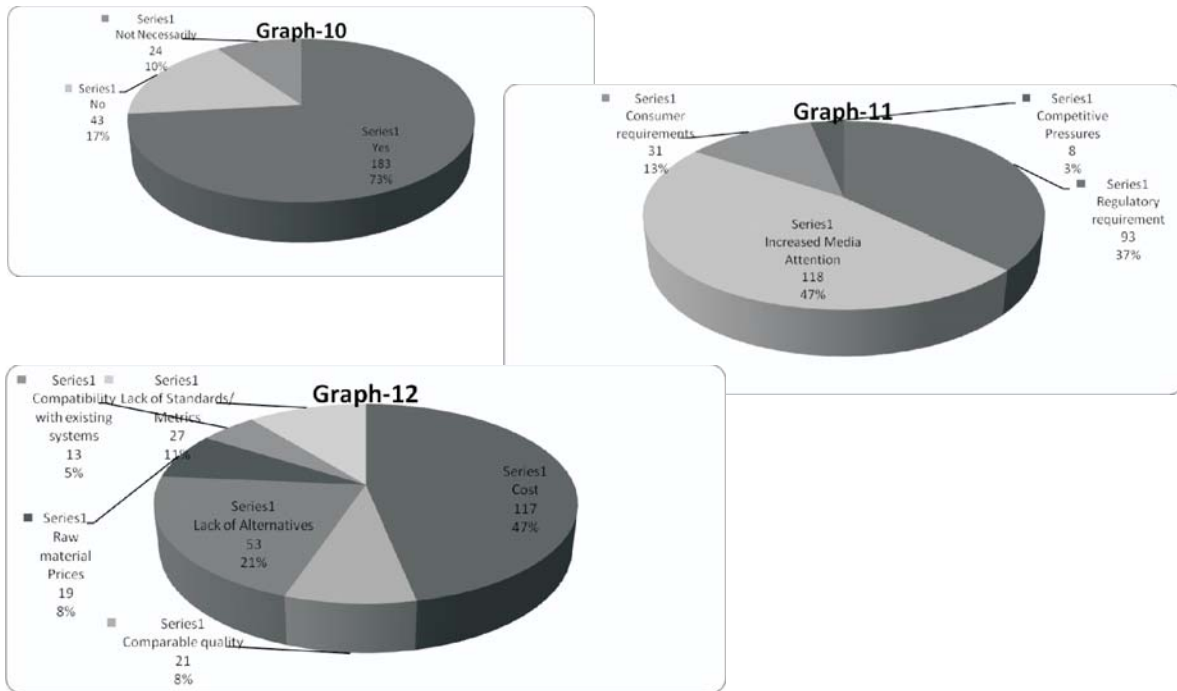
Thanks for sparing your time !!!!!

Graphs of Questionnaire









### References:

- Aaker, D., Kumar, V. and Day, G. S. (2004), "Marketing research", 8th edition. New York: John Wiley & Sons, Inc.
- Alsmadi, S. (2007), "Green Marketing and the Concern over the Environment: Measuring Environmental Consciousness of Jordanian Consumers", *Journal of Promotion Management*, Vol. 13(3-4), 2007.
- Arbuthnot, J. (1977), "The roles of attitudinal and personality variables in the prediction of environmental behavior and knowledge", *Environment and Behavior*, 9(2), 217-32.
- Athens Laboratory of Research in Marketing (ALARM) and Sustainable Center (CSE), (2009), "The Social and Environmental Dimensions of Marketing in the frame of Corporate Social Responsibility", Available: [http://www.morax.gr/article\\_show.php?article\\_id=2985](http://www.morax.gr/article_show.php?article_id=2985)
- Avlonas, N. (2008), "The importance of green marketing", Available: [http://www.morax.gr/article\\_show.php?article\\_id=2301](http://www.morax.gr/article_show.php?article_id=2301)
- Avlonitis, G. (2008), "The environmental dimensions of Marketing in the frame of Corporate Social Responsibility", Available: <http://www.elam.gr/default.asp?id=400070036&lcid=1032>
- Baron DP. 1995. Integrated strategy: market and nonmarket components. *California Management Review* 37: 47-65.
- Barrett S. 1991. Environmental regulations for competitive advantage. *Business Strategy Review* 2: 1-15.
- Brown JD, Wahlers RG. 1998. The environmentally concerned consumer: an exploratory study. *Journal of Marketing Theory and Practice* 6: 39-47.
- Ottman, J.A. et al, "Avoiding Green Marketing Myopia", *Environment*, Vol-48, June-2006.
- Roy, Kisholoy. (2009, Feb). *Green Retailing*. Advertising Express. Vol. IX. Hyderabad: The ICFAI University Press.
- Sustainable Green Marketing the New Imperative. Dutta, B. (2009, January). *Marketing Mastermind*. Pg 23-26. Hyderabad: The ICFAI University Press.
- Social Advertising: Rejuvenating in India. (2010, April). *Advertising Express*. Vol IX(4). Hyderabad: IUP Publications.