CHAPTER IV
GREEN MARKETING PRACTICES ADOPTED BY SELECT COMPANIES

This chapter emphasises on various green marketing strategies adopted by the selected manufacturing sectors. The chapter is represented in three sections for easy understanding. Section 1, contains the details two wheeler sector GMS. Section 2, throws light on GMS employed by four wheeler sector and section 3, is about GMS employed by computer manufacturers. The chapter is concluded with chapter summary.

4.1 GREEN MARKETING FROM THE PERSPECTIVES OF MARKETING PROFESSIONALS

Green marketing is essentially a way to brand a marketing communication in order to occupy larger market by proposing to consumers desire to choose products and service that are better for the environment.

In order to make the business green, the company should relate its business to the environment through its functions/operations. Green marketing can take several varieties. For example, it can focus on eco-friendly operations of product which reduce everyday energy, process and water consumption, minimizing pollution and properly managing waste etc. It may also take forms such as

- Green products: by designing eco-friendly products that are less toxic in all aspects.
- Green pricing: Initial price of the product is high but the operating cost throughout the life cycle is low.
- Green advertisement: Positioning the company’s products as eco-friendly in various communication tools used.
- Green distribution: Logistics and supply chain should be very efficiently used so that wastage of fuel, time, energy and funds are not done.
• Sustainable marketing: The actual green marketing system is one which focuses on procurement, production, supply chain management and effective disposal after the products’ life span.

• Eco-friendly behaviour of the companies may also be a part of sustainable marketing.

4.2 SECTOR WISE STRATEGIES

For the study, automobile manufacturing sector (two wheeler and four wheeler) and electronic goods manufacturing sector (Computer and peripheral manufacturers) of consumer durable products have been selected.

SECTION 1: TWO WHEELER MANUFACTURERS

The face which was redefined with invent of four stroke fuel efficient engines is now at the verge of witnessing the rise of new era. Earlier it was petrol or diesel engines, but now it is electricity which has began a new revolution in Indian two wheelers’ sector.

The innovative concept of electric bikes and scooters in India has been welcomed which are very famous mode of commuting in developed countries like Japan, America etc. In the area of personal transportation, electric bikes and scooters are break through innovation with rising cost of fuel both in national and international market, level of pollution in urban areas and maintenance cost. The raise in market share of electricity backed motor bike is not reached to the heights as it is required in India. There are various reasons for it like speed, initial pick up, styling, duration of battery backup, lack of charging point in city, lack of infrastructure in villages, roads conditions, battery life etc. Hence the study is done on major companies producing fuel efficient two wheelers.

4.2.1 Two Wheeler Company ‘A’

• Green manufacturing: the company aims at developing eco-friendly initiatives in all sphere of manufacturing process ranging from product prototype development to end of supply chain.

• Green investments: No company can claim that all the products are eco-friendly in nature. The company has invested in cleaner process which will reduce the impact on environment. The cleaner processes ensure low carbon foot print.
• Green Infrastructure: Green Roof (lighting and temperature management), sewage Treatment Plant (water used to cool towers), Effluent Treatment Plant (treat acidic, degreasing, plating, heavy metals and oil waste, waste food recycling, landscaping and green applications), paint conservation (recycling of paint sludge and solvent recovery machine checks the unstable organic chemical from being let into the air), energy conservation (Heat Recovery- used for heating water helps in Co2 reduction), solar power project (reduce Co2 emission and furnace oil), air conditioners (bigger AC’s reduction in Co2 and energy consumption), oil Conservation (line hydraulic oil filtration system) and water conservation (water management, rain water harvesting and recycling plant).

• Green Supply Chain: At the both the end of supply chain the company has started ‘Green Dealer Development Program’ and ‘Green Vendor Development Program’. By this initiative the company imparts knowledge and importance of cleaner environment, shares required competencies and provide technical assistance.

• Green IT : Some of the initiative taken are like replacing TFTs in place of CRTs monitors for displays, reduction in number of printers used, reducing travelling by use of video conferencing, purchase of energy efficient tools and discarding inefficient tools. As an IT policy, energy efficient data management center is maintained. E-learning materials are encouraged for the use trainees, which saves travelling time.

4.2.2 Two Wheeler Company ‘B’

• A charitable trust established in 1996, has been promoting holistic and sustainable development of rural communities in districts of Tamil Nadu.

• Solid and liquid waste management: Educate the public on effective solid waste disposal by separating the degradable and non degradable waste at source.

• The company is indulged in afforestation activity, soil and water conservation to increase ground water level.

• Environment, Health & Safety (EHS): With the introduction of cleaner technology in the process of painting, the specific paint sludge generation has been reduced by 42% over previous years (2014).
With the continuous effort to conserve the natural resource water, over Rs. 400 lakhs has been invested in the waste water treatment and recycling, to introduce advanced processes.

A pilot project on generation of biogas from waste food has been installed. The other bio wastes like mowed grass and weeds are made into Vermi compost.

Various energy conservation measures have been taken such as use of waste heat from power plant, energy efficient lighting, optimal utilization of compressed air, idle time power cut-off machines and utilities etc., to reduce carbon footprint.

An integrated EHS management system is instituted in Hosur and Mysore Plants. Both Plants have been certified under ISO 14001 for Environmental Management System and OHSAS 18001 for occupational health and safety management system.

The Company is also working on development of fuel-efficient technologies and CO₂ reduction technologies to remain ahead of needs of consumers and environment regulations.

The Company bagged the "Gold Award" in automobile sector from the Greentech Foundations for outstanding achievements in Safety management and the "First place" in State Safety Awards for longest accident free period from the state Government.

4.2.3 Two Wheeler Company ‘C’

This is the first company to achieve Bharat Stage III norms compliance for its range of products. Bharat Stage III norms are announced on the recommendation of Dr. R. A. Mashelkar Committee to reduce pollution. This concept is applicable across India.

The technology patented (DTS-Si and the DTS-i) by the company for its engine is efficient and produce low emission which leads to eco-friendly behaviour.

Alternate fuels: Three wheelers manufactured by the company use alternate fuels such as CNG and LPG.

Wind power: With initiative in investing in wind power project, approximately 90% of company’s power requirements for Plants within the state of Maharashtra, is met through Wind Power.
Mileage challenge: To demonstrate the new product ‘x’ in rural areas, ‘Mileage Challenge Camps’ were conducted across various locations in West Zone (Maharashtra, Gujarat, Madhya Pradesh & Chhattisgarh). Local Participants were invited to come and try the new vehicle. Based on the highest mileage received, prizes were distributed.

- The company distributes saplings with every motorcycle sold in Mumbai.
- Manufacturing plants adhere to ISO 9000 and 14000 series.
- Effluent Treatment Plant (ETP), which has been made to separate industrial & domestic effluent resulting in better quality of treated water.
SECTION 2: FOUR WHEELER MANUFACTURERS

The four wheeler industry continues to be one of leading sectors in sustainability development. It has been ranked first in GGB (Global Green Brand) performance in 2013. It is a leader in products and services where the industry focuses on innovation, which serves it well in demonstrating environmental performance. Automotive companies have fewer products in their portfolio and are required to report fuel efficiency of their vehicles; they have an easier path to quantifying the environmental impacts of their product portfolio. The four wheeler sector also has very efficient supply chain and leveraged their historically strong supply chain management into an understanding and management of the environmental impacts. Of the three companies in the sample, one is among the top ten companies in the world with respect to green image. As with respect to all three companies, there are still opportunities for improvement in various aspects of green marketing.

The world standings for the Indian automobile sector, as per the Confederation of Indian Industry, are as follows:

- Largest three-wheeler market
- Second largest two-wheeler market
- Tenth largest passenger car market
- Fourth largest tractor market
- Fifth largest commercial vehicle market
- Fifth largest bus and truck segment

4.2.4 Four Wheeler Company 'D'

Green behaviour

- Approximately 2% of the annual turnover is spent on green R&D.
- In variety of ways, the products and service of company ‘D’ are environmentally friendly. These include reduction in usage of hazardous material in vehicle components, extended lubricant life and usage of user friendly refrigerants.
- Vehicle efficiencies have improved, on an average, by 5% year-on-year, allowing for greater fuel efficiencies. This was the first Indian company to introduce vehicles following Euro norms.
- The company is using aluminum and other lightweight materials to reduce vehicle weight which in turn leads to higher mileage and better performance.
- Even the company is involved in development of Diesel–electric hybrid engines which can run for more than 20 miles without any usage of diesel and hence has no emission.

**Green Marketing at Company ‘D’**
- Sampoorna Seva facility is provided by the company to serve its customers better. The efforts are made by both company and their respective dealers. There are different categories, like platinum, gold, silver and bronze under Sampoorna Seva, at each level the type of service gradually reduces.
- The suppliers and vendors meet is arranged on regular basis and are provided with awareness on prevailing environmental and social issues.
- Transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts.
- The dealers are promoted to adopt green practices. The company has created four model workshops which incorporate green features to reduce environmental load. Special emphasis is laid on skill development and up-gradation of the dealer and channel partner resources.
- Passenger cars: These cars are designed to deliver class-leading fuel efficiencies. The best-in-class fuel efficiency not only enables the customers to reduce fuel expenses but also contributes to energy security of the nation in its own way.
- It was noticed that World cheapest environmental friendly car was launched in Indian market and further on acceptance the car was launched in various other countries.
- Company encourages suppliers/dealers to adopt green practices.
- More focus is given on environmental practice of suppliers (source of raw material, process etc).
- Promotion is done through television advertisement with message of clean technology used, vehicle efficiency, less emission, green concept etc., personal selling (one to one at dealers outlet) and sales promotion are also used based on market.
Over the period of time the company has positioned itself as most trustworthy brand in India. The company is capitalizing on it and further positioning/repositioning itself as sustainable company.

The green practices leading for green marketing

- Fuel efficient four wheelers.
- The cost involved in life time management of the four wheelers’ is comparatively less.
- The emission from the four wheelers causes very minimum damage to environment.
- Playing a major role in checking climate change/ reducing carbon foot prints.
- Involved in R&D to develop vehicles which run on alternative fuels.
- Encourage vendor participation.
- Financing through own company (sister firm) and other leading banks for its four wheelers in general and eco-friendly car in particular.
- Dealer and customer (survey) participation is encouraged.
- Approach rural market on various positioning strategies among that environment also plays major role.
- Commercial vehicle proposition aim at creating vehicle with lowest overall cost of ownership.

4.2.5 Four Wheeler Company 'E'

- The company is best known for its "just- in-time" philosophy which produces only precise required numbers of ordered articles with minimum waste.
- Usage of eco-friendly raw material ensures that disposal of the car will be non-hazardous to the environment.
- Green Purchase Guidelines: This includes the environmental criteria in every purchasing decision that encourages their suppliers to improve their environmental performance. More preference is given to the quality, service, price, social issues and environmental credentials.
- Reduction in the use of substances of environmental concern: Hexa-valent Chromium, Cadmium, Lead and Mercury have been eliminated from almost all parts of the major brands of the company ‘E’.
• Acquisition of ISO 14001 Certification: Now more emphasis is given for suppliers to acquire ISO 14001 certifications.

• Reduction of CO₂ emissions by reduction in use of energy and working to reduce the use of packing and wrapping materials in logistics.

• The campaign termed ‘Green Journey’ was initiated to involve young bright minds so that greener ideas to conserve energy and fuel are generated. This initiative gave an opportunity to connect with students from over 500 institutions in India.

• Educates customers on the concept of eco driving.

• The suppliers are called for study meetings on the themes of compliance like management of confidential information, sustainable development, competition laws, anti-corruption, human rights, labour laws etc.

• Company ‘E’ addresses domestic and international environmental issues by publicising knowhow acquired through the establishment of Satoyama (a Japanese term applied to the interface between cities and nature that have been utilized by people). The company has collaborated with another company to develop Fuel Cell Technology.

• Initially company has entered various countries by exports of its product. After receiving positive response, the company have collaborated with local companies and started it operation in other countries.

• Multiple branding strategies are used to position the products. The company has been successful in reposition itself from more reliable to environmental friendly company.

4.2.6 Four Wheeler Company 'F'

• Availability of green facilities: As part of company’s long-term sustainability plan, all the facilities are following comprehensive plans to reduce waste, conserve resources, and minimize emissions.

• In 2007, the biggest environmental initiative taken up termed “company ‘F’ Hariyal” was to set the ambitious goal of planting 1 million trees nationwide to increase India’s green cover and offset national greenhouse gas emissions.

• The company is committed to make a positive impact across the entire product life cycle, starting from manufacturing to disposal.
• Reduction in energy consumption  (target achieved 2 % in the year 2011-2012 and 5% in the year 2012-2013)
• Reduction in GHG and Co2 emission of 17.83% in the year 2012-13
• Green IT and Green procurement/supply chain policy – initiative have been implemented
• The company has already got certification like ISO/OHSAS/GRIHA/ECOTEL – Total 41 such certifications have been secured.
• Sustainability awareness among the significant stake holders is created.
• The company launched two new warranty products, namely warranty First (12 months for mechanical and electrical components) and Certifirst (engine warranty for 6 months) for the car customers.
• Use of green paint OXSILAN.
• Reduction in use of metal which leads to reduced usage of electricity for melting the same.
• The four wheelers of the company ‘F’ meet the standards of BS-III and BS-IV emission norms on utility vehicles.
• Reducing transportation foot print:
  1. Shifting to a more environmentally-friendly transport mode.
  2. Collaborating with suppliers to decrease environmental impact from transportation.
  3. Optimization of packaging in order to decrease weight and increase load factors.
  4. Increased use of ESG (Environmental, Social and Government norms) preferred freight forwarders.
SECTION 3: COMPUTER SECTOR

The Electronics industry focuses its reporting and quantification on electricity and the associated GHG emissions, as this is generally their largest area of impact. Electronics companies also see themselves as enablers of reduced environmental impacts through the use of products such as energy-efficient devices and tools that can monitor and reduce impacts across organisations and homes. As with all companies, there are still opportunities for improvement in the selected areas of marketing and opportunities for leadership in specific areas.

4.2.7 Computer Company ‘G’

- For easy disassembly and easy recycling, the company has design modular parts that can be easily disassembled using common tools by one person. To join incompatible materials glue or welding is avoided.
- Circuit boards, batteries, and other components - any of which contain hazardous materials shall be safely and easily identifiable and removable.
- Reduces usage of surface paintings or metal coatings that are not compatible with recycling or reuse on plastic parts.
- Use post consumer recycled plastic as much as possible and no new colour is used by the company in the design.
- The company attempts to reach the green commitment in packaging design by reducing in volume, using environmental friendly as well as sustainable materials.
- Reduction in the packaging - A special packaging structure that could reduce the weight and volume of the packaging is developed.
- The company discovered that the ink coverage of the old packaging reached 76.8%, thus they decided to apply monochrome printing and use the primaries paper as the cardboard. With the new printing design, the ink coverage is reduced significantly to 29%.
- The company attempts to use post-consumer plastic for plastic packaging materials, it gives the following benefits:
  a. Reduce greenhouse gas emissions.
b. Reduce the consumption of the resource.
c. Reuse the recycled waste materials.

- The company developed the first lead-free and halogen-free motherboard in Taiwan. The project was sponsored by the Taiwanese government, from 2002 to 2004.
- The project termed “PC Recycling for a Brighter Future” is the company’s Program in association with of Economic Affairs, Department of Industrial Technology of Taiwan. The purpose of the project is to provide the recycling service for waste computers to consumers (B2C) and business users (B2B) and then donate the refurbished computers to suburban elementary and junior high school students as well as disadvantaged minorities to narrow digital divide.
- Along with above mentioned green practices the company is also involved in water management, follows the guidelines of EPA (Environment Protection Agency – US based) on waste management (Hazardous waste, recyclable waste and Domestic waste).

4.2.8 Computer Company ‘H’

- The company consider sustainability at all the stage of product life cycle, with how a product is designed, the smarter material choice, energy efficiency (ENERGY STAR), end of life and reuse, environmental standards (Energy Star, EPEAT and the 80 PLUS Program) etc.
- Reducing environmental impact - As global citizens, the company is committed to minimize the impact of its operations and those of supply chain on the planet and the communities. The company focuses on climate change, energy and waste management.
- Green packaging and shipping - Traditionally both packaging and shipping leave substantial environmental footprint. The company follow a "3Cs" strategy by reducing the impact through the cube (packaging), the content (what it's made of) and the curb (how easy it is to recycle). The company feels that packaging and way of product supply has a chance for green innovation.
- Innovative materials - The Company pioneered the use of natural materials in packaging, like bamboo and mushroom cushions, new wheat straw initiative and new Air Carbon bags.
• Sustainably logistics: Shifting international air shipment to ocean shipment. The company refines logistics network and delivers better ways for getting products to consumers safely and with a minimal detrimental impact on environment.

• Recycling - According to the concept of ‘Solving the E-Waste Problem’ (StEP), e-waste is not at all a waste, it means that whole electronic product or some component (s) of waste electronic product can gain new life by recycling or reuse. The company offers consumer recycling program in which the company take back the company's electronic products.

4.2.9 Computer Company ‘I’

• The company is committed to comply with Company Group Environment Vision and to continually improve Environment Performance in the office.
  1. Complying with the related legal and other requirements.
  2. Implementing pollution preventive methods and techniques to minimize impact on the environment.
  3. Adopt energy efficient and conservation practices.
  4. Impart training to employees and create awareness amongst stakeholders regarding environment.

• The company capitalise on superior technologies and ability to innovate and reduce the environmental impact, deliver environmentally responsible products and services.

• The long-term goal named new global environmental plan "Road to Zero." was devised using back casting method to accomplish the long term plan that the company has initiated green management 2015. Green management 2015 is specific midterm plans to as to achieve long term plan ‘Road to Zero’ by 2050. The four environmental dimensions considered are resource conservation, climate change, management of chemical substances and biodiversity across all product life cycle stages.

• Green Management 2015 has specific targets in areas like research and development, product planning and design, procurement, operations, logistics, take-back and recycling.

• The company's efforts to achieve the targets of Green Management 2015 will be guided by three basic policies.
1. To increase efficiency, the company strives to minimize the impact of production processes, logistics, and other related office activities by improving their efficiency.

2. Customers approved and environmentally conscious activities are implemented on high priority.

3. Internal and external stakeholders are kept informed and positive association is solicited.

   • Environmental communication - The company has a wide variety of stakeholders to whom it provides environmental information in an accurate, timely, and continuous manner. The company organizes events and participates in events with environment themes.

   • Environmental information of the products - The company provides environment-related information on these products in a manner that takes into account regional and national differences.

   • The company discloses information on emissions of chemical substances in the environment. The disclosure is done by keeping in view the safety and environmental issues in the near vicinity of the plant. The local authorities are also informed about the same to develop mutual trust and understanding.

4.3 CHAPTER SUMMARY

This chapter emphasizes about green marketing practices adopted by selected durables goods manufacturing companies. As the marketing strategies of the companies are confidential, to get the clear picture, green marketing strategies perspectives have been taken from the marketing/sales professionals. Further, sector-wise GMS have been learnt in greater details with all the selected nine companies’ eco-friendly activities.