CHAPTER - 3

LITERATURE REVIEW
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REVIEW OF LITERATURE

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3.1 Introduction:
After getting acquainted with the research topic, this chapter takes an overview of the literature i.e. the selection of available documents (both published and unpublished) on the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfill certain aims or express certain views on the nature of the topic.
In 21st Century due to challenges of global warming, nations and people have high concerns for environment protection at the time demand by consumer groups for environmentally friendly products has also increased which led to the emergence of a ‘new marketing philosophy’, known as green marketing. Thus, green marketing can be defined as ‘the holistic management process responsible for identifying, anticipating and satisfying the needs of customers and society, in a profitable and sustainable way’ (Paco et al). Green or environmental marketing consists of 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 Polonsky, (1995). Green marketing incorporates a broad range of activities, including new product development, product modification, changes to the production process, packaging changes, and modified advertising. Green marketing is also referred to as environmental marketing or ecological marketing. Kotler et al, (2010).

Boland (1992), expressed that some businesses have long understood that environment protection and economic progress can go hand in hand. If a company looks at economic quest in an ecological way and the ecological question in an economical way, it can focus attention on waste avoidance and efficient operations which can increase profitability. Environment management promotes due regard for the physical social and the economic environment of the enterprise or project.

3.2 Green Marketing as a Holistic Concept:

In Chapter 1, we have discussed basic concept and evolution of green marketing of green marketing. This section explores the holistic concept of green marketing which is the basis of this study.

Majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, and Ozone friendly and environmental friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a broader concept, one that can be applied to consumer goods and industrial goods and services Polonsky, (1994). The misconception of green marketing by majority of people makes its definition very critical; yet defining green marketing is not a simple task. Indeed the terminologies
and definitions used in this area are varied. The terminologies include; green marketing, Environmental marketing and ecological marketing Polonsky, (1994). Green marketing has many dimensions several authors have described green marketing in numerous ways like retail point of view, social marketing point of view, ecological or environment are as follows:

Karl E. Henion, Thomas C. Kinnear, (1976) “The study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion.” This study is helpful as it discussed concept of Green Marketing. It gives clear idea to the researcher that, GM is a subset of overall marketing activities. It examines positive and negative activities, a narrow range of environmental issues are examined.

Mintu and Lozada note that green marketing goes beyond an image building activities. Authors have defined green marketing as “the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection, and conservation of the physical environment are upheld”. Mintu and Lozada (1993).

Even though no consumer product has a zero impact on the environment, in business, the terms “green product” and “environmental product” are used commonly to describe those that endeavour to protect or enhance the natural environment by conserving energy and/or resources and reducing or eliminating use of toxic agents, pollution, and waste. J. Ottman (1997).

Developed nations are already practicing green marketing practices in numerous ways. An empirical study of developed nations United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing has been introduced by Prothero, A. (1998)

Kilbourne, W.E. (1998) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The researcher identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.
**Green Marketing Objectives:** From the above definitions it has been very clear that Green marketing consist of broad range of activities including product modification, choice of packaging, product efficiency and advertising fall under the green marketing umbrella.

An interesting study by P.K. Verma (2012) throws focus on green marketing objectives. There are two main objectives to be defined when it comes to promoting an eco-friendly product. 1. Improve Environment Quality: This objective focus on a technical part of a product- and addresses whether the product in concern has a better environmental quality than its peers

2. Customer Satisfaction: The second objective of green marketing is customer satisfaction is ultimately result of any “Green Campaign” or any marketing campaign. If the customers are not satisfied with company’s product regardless of its environmental advantage- it will result in transfer of loyalty to other competing brands.

**Reconceputalizing Marketing Environment**

From the above literature researcher has got a clear idea of marketing as a holistic concept and different objectives of green marketing. As green marketing has interdisciplinary relevance it is essential to reconceputalizing marketing environment. Following fig visualizes the marketing environment as composed of layers of issues and interactions. The response to increased environmental concern has been to try to accommodate it within existing models of the environment (of the PEST type) by discussing it as a political pressure, an influence on the economics of business, a social trend or a technological challenge. Kenn Peattie and Martin Charter, (2003:729)
Another view expressed on the marketing environment is, companies benefit from a marketing orientation in many ways, and one of the most important is the external focus on the marketing environment it encourages. However, marketing theory has followed the tradition of mechanistic economic models, which dismiss the ecological contexts in which economic activity occurs. Capra, (1983)

This study also highlights interdisciplinary relevance to the green marketing. The study bridges the gap between fundamental ecological issues facing society and modern marketing. Following an ecological imperative, Author, explores the reasons for studying sustainable marketing, which encompass strategy, products, channel networks, communications, pricing and market development. At a time when one is looking at global warming, hydrocarbon taxes, air and water pollution and increased incidences of respiratory diseases. Donald A. Fuller(1999)

From the discussions above it can be concluded that the response of consumers, firms, as well as government to increased environmental concern has been to try to accommodate it within existing models of the micro and macro environment (of the PEST type) by discussing it as a political pressure, an influence on the economics of business, a social trend or a technological challenge. So physical environment is the foundation on which societies and economies are based.
3.3 Green marketing in Automobile Sector

In last section we have discussed holistic view of green marketing in general, this section explores green marketing concept and various practices. Green marketing can be considered to be contributing towards enhancing the environmental performance of industry and an important element of the evolution of the Indian automobile industry as it responds to challenges of environmental regulations, increasing customer expectations and economic pressures. This section is an attempt to understand the green marketing practices of automobile and ancillary industries. In addition, it attempts to study the role of Government, challenges in executing green marketing practices in Indian context and solutions devised by industries to these challenges.

Need For Green Innovation in Automobile Sector

Nunes, B. & Bennett, D.& Shaw, D.(2013) note that the 21st century brought new concerns and pressures to the way automobile companies innovate. In past companies were looking for innovation because of meeting customer expectations, but now they have to better respond to the social and environment demands. With regard to the environment, the major environmental concerns in the 21st century are: atmospheric pollution and its consequences for human health, global warming and ozone layer depletion, scarcity of freshwater, raw material and land availability. All these environmental impacts have a important role in how companies manage their business, and therefore, these all become the important source and driver of innovation.

According to Nunes, B. & Bennett, D.& Shaw, D.(2013) defined green innovation as those innovations in the products, processes or in the business model that lead the company to higher levels of environmental sustainability. A higher level of organizational environmental sustainability is reached by the minimization of environmental impacts, and by the creation of positive impact on the environment.

Vergragt( 2006). Supports this view and states that the automotive industry is one of those industries that have visibly suffered from a strong demand for higher environmental performance. This industry is one of the important sources of employment generation and socioeconomic development of a nation. It has given lot of benefits to the public in form of door-to-door transportation system, the means to
gaining access to life’s necessities and employment, and a source of joy & pleasure and social status.

However, despite these benefits there are environmental burdens as well: local air pollution, greenhouse gas emissions, road congestion, noise, mortality and morbidity from accidents, and loss of open space to roads, and urban sprawl. Strong dependence on fossil fuels and large consumption of raw material lead the environmental problems. As a result, in a near future, it is expected that the sector will face strong pressures and take initiatives in order to reduce the environmental burdens from car/bike use and its production process. Although the environmental impacts of the automotive industry are spread throughout the whole life cycle (e.g. production, use and the end of life of vehicles), the use of the cars is where there is the major energy consumption and emissions. Nevertheless, environmental pressures occur to reduce emissions and waste throughout production, use and end-of-life vehicles. (Nunes, B. & Bennett, D., Aston University, UK)

**Green Marketing Practices in Automobile**

Bennett David John (2010), Identifies various green operations in automobile sector with world’s three major car manufacturers. They are pursuing various environmental initiatives involving the following Green Operations Practices: green buildings, ecodesign, green supply chains, green manufacturing, reverse logistics and innovation. He also found that, there might be a gap between what companies say they do in their environmental reports and what they actually do. It is important to note that, practitioners from other industries will also find it valuable to discover how the automotive industry is pursuing environmental initiatives beyond manufacturing, apart from the Green Operations Practices, covering broadly all the activities of the operations function.

Wells and Orsato 2004 expressed that there are indications that the internalization of ecological responsibility, the implementation of anticipatory planning practices, and the switch to the use of cleaner technologies are happening in the context of the auto business.

(Cohen 1997; Orsato 2001) supports this view and states these practices characterise the phenomenon of ecological modernisation in auto industry. For those interested in sustainable industrial development, the question then is not about whether
improvements have been made or not in the auto industry but whether the improvements are conducive to ecological sustainability. 
Sharma, Maheshwari (2014) is of the opinion that, to design the strategy to implement green marketing in the auto sector, it is imperative for companies to gauge the level of perception on their green marketing initiatives. There is a need for a multilayered framework in all corporate functions and business units, from supply chains to internal operations to marketing and consumers to ensure that all aspects of the company are aligned with the organization’s visions. Though environmental protection is in trend of the day, green marketing is still found as its infant stage due to the lack of or low awareness of consumers on the eco friendly activities and products provided by the automobile companies in India. Yet the limited awareness and their perception and attitude to buy the green vehicles pressurizes the marketers as well as researchers to do a lot of research on green marketing in the automobile companies to explore the full potential of green automobiles in India.
Shweta Batra & Amit Shankar (2012) supports above view and add the technology aspect in auto sector implementing green marketing. Technological support to create green marketing does not exist to that extend and automobile companies haven’t invested towards it. Whatever technology available is too expensive to be introduced in the Indian market. Already existing fuel cars network can’t be replaced overnight.

Awareness amongst people towards emissions, its causes, health effects, economic damage etc. is very limited in developing countries like India. Lack of a comprehensive strategy to encourage the development of a green transport sector. Lack of understanding of the policy tools that can be used to influence behavioural change, e.g., the role of (a) taxation or subsidies and (b) other regulatory, economic or persuasive measures appealing to economic interests and moral/ethical considerations.

Failure to realize the full potential of technological changes or innovations leading to cleaner fuels and greener vehicles. Lack of appreciation of the role and need for public investment in infrastructure, e.g. pedestrian and bicycle ways, light rail, good bus service and other forms of mass transit.
Challenges for Automobile Industry to Implement Green Practices:
In environment and automobile regard, KPMG report (2010) has focussed on some challenges for automobile industry to go green are highlighted as below:
India has no duty benefits for even hybrid cars, which need to be imported due to low volumes. If India’s automobile industry wants to play a role in the global arena for alternative fuel based vehicles, such limiting measures need to be re-examined and an appropriate redesign of the framework needs to be enacted immediately. While global companies are pursuing innovations in third and fourth generation bio fuels, India is yet to decide on a purchase price for the fuel. Such a delay in key policy decisions, which have the potential to unlock innovation, need to be remedied based on the recommendations of industry associations/participants.

Ravi(2012) has the identify that the Indian auto industry has to battle major challenges that emission, energy safety and security, and climate change bring. The only way forward is to achieve growth through innovative technologies and promote sustainable mobility. Auto manufacturers have continued to invest in R&D dedicated to ‘green innovation.’ These green initiatives are expected to address issues of fuel emissions and efficiency – reducing fuel consumption and greenhouse gas emissions. Some auto industry trends include using alternative fuels and propulsion systems, using bio-based, recyclable and renewable/sustainable materials, employing smart design to reduce vehicle weight, rolling resistance and air drag, and increasing the levels of electrification. In India, most regulations and legal standards pertain to fuel economy and safety and not sustainable mobility as such. Companies are expected to report their contributions to societal well-being and they can hope for long-term success only if their behaviour is construed as socially responsible and legitimate.

Roosevelt's also accurately describe the problems faced by the automobile industry in attaining the right balance between the survival of their business and the protection of the natural environment. Automobile companies have been partly blamed for the rising global temperatures, increasing fuel costs, and changing climate patterns, thanks to their production of fuel-inefficient vehicles as well as their inadequate focus on environment conservation.
Roosevelt's further attempt to devise solutions to above challenges by stating, to reverse the negative consequences, the Indian automobile sector has done the role of a responsible corporate citizen and initiated green marketing activities to save the environment and to foster sustainable development. Apart from promoting awareness amongst customers about their eco-friendly products, auto manufacturers are also taking right steps by using biodegradable raw materials in their production, developing hybrid, hydrogen and electric drive systems, and complying with stringent government regulations regarding the environment.

A.T. Kearney and the Confederation of Indian Industry (CII) conducted a joint study in April 2013 to identify and prioritize key actions for cost-effective green mobility. This report explores various options available to India to move toward a green mobility paradigm with lower carbon dioxide equivalent (CO2e) emissions—and therefore less impact on global warming—and lower emission of regulated pollutants such as particulate matter (PM), monoxides of nitrogen (NOx), carbon monoxide (CO), and unburned hydrocarbon (HC). This report examines the opportunities available for a more cost-effective, greener mobility future for the consideration of all stakeholders: industry, government, and consumers.

**Role of Government-Green Marketing and Auto Sector**

In environment and automobile regard, KPMG report (2010) highlights on role of government as demand for nascent technologies and fuel efficient cars need to be encouraged by offering consumers incentives to adopt these products, such as an expansion of the policy of little or no duty being payable on electric vehicle parts. This can in turn spur innovation for better products. Likewise, manufacturers could be encouraged to commercialize their green technologies, which are currently expensive and under-utilized by the market, by being offered subsidies where appropriate.

Reports also advocate that government should increase dialogue with manufacturers and oil marketing companies to establish a better infrastructure for greener vehicles. The government should consider finalizing a short, mid and long-term blueprint for the development of this infrastructure, encompassing elements such as battery recharge stations or CNG pumps, through public-private partnerships. The government should also stimulate debate on how the public and private sectors can collaborate on the establishment of Urban Mass Mobility Schemes.
Manufacturers could become key players in terms of developing new technologies, or inter-system mobility.

CSE (2011) also enlighten on Government on its part should come out with economic instruments as its major tool to regulate automobile companies. Pollution control body too needs a complete rethinking of its regulatory approach to this sector. Wastewater characteristics, solid/hazardous waste management, paint sludge incineration, dioxin and furans are some major aspects of automobile pollution during manufacturing process-regulations for which are either weak or non-existent. Downstream pollution checks and supply chain management are also some issues where regulatory bodies will have to do some soul searching.

Arushi Thakur & Suheil Murgai (2012), support this view by stating government initiatives are going to be one of the major drivers for bridging the gaps between consumers and electric cars manufacturers. Reduction in cost of vehicles and providing special benefits of parking, charging infrastructure and rebates would boost the adoption of these vehicles in future. Various companies are also taking initiatives to promote electric vehicles as a part of their corporate social responsibility. All leading manufacturers are eyeing India as a key market for the electric vehicles provided the government implements favorable policies. Consumers are also gradually becoming conscious about the use of cleaner technologies.

**NGO Efforts:**
The CII (Confederation of Indian Industry) (2014) advocates the need for energy audits and smart energy management in industries in a conference held in August 8-9, 2014 in Chennai on “Innovative Green Models for Profitability & Sustainability”. The main objective of this conference was to bring together key stakeholders of the automobile industry to discuss ‘green’ strategies and solutions to achieve sustainable mobility. It also expressed that, an important pillar of the Indian economy — the automotive industry is going through a metamorphosis of sorts. In the face of increasing competition and fluctuating demands, the auto makers have to focus on ‘greener technologies’ to achieve sustainable mobility in the future. By 2020, analysts say the number of vehicles on Indian roads will be twice the current figure and the passenger and freight demand will likely increase by about 8 to 12 percent. At the manufacturing end, companies are tailoring their product’s design to factor in the
requirement for ‘cleaner’ vehicles that will lead to fuel economy and cost savings in the future.

CII is a non-profit NGO that is run by industry experts to contribute to the country’s growth process through innovation and research.

L.K.S Chauhan –IOC, Mumbai(-2011) A project called “Project Green Stroke” was initiated by the Indian Auto LPG Coalition (IAC) – a non-profit organization regarded as a nodal body for the Auto-gas industry in India. The objective is not just to cut the fuel budget for the customer, but also to bring environmental benefits as Auto-gas out-performs gasoline and diesel, as well as some other alternative fuels, in the majority of studies comparing environmental performance.

**Conclusion:**

Fundamental incompatibilities between sustainability and strategic marketing planning processes are the key factors for development of green products in the automobile sector (Peattie, 1999). Bansal and Roth (2000) have discussed three motivations for automobile companies to go green. These are competitiveness, legitimization and ecological responsibility. Supporting these, Mildenberger and Khare (2000) explained the various tools available to modern decision makers for balancing ecological, economical and technological aspects of production. However, Chen C (2001) has been of a different opinion. He holds that eco-product development and strict environmental standards are insufficient to save the environment. Regulation by itself would be inadequate to create a market for fuel-efficient vehicles. Legislation and/or economic incentives might help; however, manufacturers are not highly optimistic about green consumption rates accelerating in the future (Wong, Turner & Stoneman, 2001; Kemp, 1994; Gordon and Emine, 2000).

**3.4 Green Marketing Awareness and Concern to Society, Firms and Nation**

This section will provide insights into green marketing awareness and concern to the society, firm and to the nation. To begin the discussion we will review this concern in chronological order so that it will be easy to understand, how this environmental awareness has been increased.
Due to increasing awareness and environment concern, an author had segmented United States consumers by their utilizing consumers’ self-designated “greenness” to do the segmentation of consumer markets. Crosby, Gill, and Taylor (1981)

McCarthy and Perreault (1984) identified that the implementation of a green marketing orientation by a firm is mainly a response to the increased pressures by society for business to meet its comprehensive ethical and moral responsibilities, while adhering to the marketing concept’s basic tenants of meeting customer needs at a profit.

In line with the above discussion in which issues raised by McCarthy and Perreault, Polonsky, (1991) also identified that there are many social concerns; one of the most prominent social concerns is the determination of the level of a firm’s ecological sensitivity. Ecological issues such as global warming, toxic waste disposal, resource depletion, and landfill management are items of public as well as legislative concern which have prompted organizations to interject pro-ecological values into their system of corporate heuristics. These issues are of increasing significance to the global community, with some of the more advanced nations even incorporating ecological regulations as an integral component of antitrust legislation.

In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment Ottman (1993). Ken Peattie (1995) This study helps to understand the researcher that the concept of putting green in relation to marketing was also developed out of this growing concern about the environment. The increased environmental awareness among people as well as businesses has led to the development of new concepts such as sustainable development and environmental marketing.

There is a conceptual link among green marketing, environmental justice, and industrial ecology. Author argues for greater awareness of environmental justice in the practice for 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. Oyewole, P. (2001).

Being a developed nation Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong
faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior. Donaldson (2005)

Alsmadi (2007) investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles are further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland et al, 2005).

An increasing concern on environment issues influence people behaviour as well as the rising demand for ecological friendly product and services (Donaton and Fitzgerald, 1992). This trend appears in the last decade for USA and Western consumer (Curlo, 1999) and has been increasing in recent year (Chitra, 2007). For example; there are 20 % of U.S consumers considered as the target market for green product (Osterhus, 1997), even in Asian consumer (Harris, 2006). Recently, there is green movement such as the term of “going green” had 15.6 million hits on Google in January 2008 and 31 million hits just over two months later. (Erdman, 2008).

An increasing awareness of society, firms and nations reflects in business initiation and expansion with an example 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. Brahma, M. & Dande, R. (2008)

The four brands on which this study is base strongly concerned about the environment and do a lot of efforts in planning the strategy and the adaptation of methods and processes, in order to act in a more environment friendly way. The performance in concern of the sustainable development appears like a challenge for the brands and not as a constraint anymore. It also became a necessity to stay in the
competition. It appears that the race to the fully environment-friendly car has been launched. De Craecker, De Wulf (2009)

Saxena, R. & Khandelwal, P. K.(2010) This research attempts to understand the attitude of Industries in India towards green marketing. Key findings of the study reflect that Industries these days have high concern for environmental protection and Industries also have strong belief that green marketing can definitely be used as a tool for gaining competitive and sustainable growth.

Ottman J (2011 ) Due to the awareness and concern for the environment, consumer demand for greener products and services, creates opportunities for businesses to promote their greener offerings, and introduce profitable new ones, all the while building their top-line sales, enhancing their image, and bolstering the morale of employees newly engaged in a higher purpose.

It is very clear from the above discussions that, from last two decades awareness is there amongst developed nations and in developing nation like INDIA, awareness regarding environmental protection is gradually increasing among consumer, firm, society and nation.

3.5 Reasons for Practicing Green Marketing

In this section various reasons for implementation of green marketing practices have been discussed in detail.

The question of why the firms have increasing importance of green marketing, what are the various reasons for implementation is quite simple and relies on the basic definition of economics. As the firms face limited natural resources, they should develop new and alternative ways of satisfying these unlimited wants. When looking through the literature there are several suggested reasons for firms’ increased use of green Marketing. Five possible reasons cited by Polonsky (1994) are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives (Keller 1987, Shearer 1990);
2. Organizations believe they have a moral obligation to be more socially responsible (Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990);
3. Government legislation - Governmental bodies are forcing firms to become more responsible (NAAG 1990). In many cases, mandatory environmental legislation is also forcing behavioral changes in consumers. Business may adopt an eco-marketing
orientation as a strategic response to the dynamic environments of the nineties (Clarke & Geri, 2004); 
4. Competitors’ environmental activities pressurize firms to change their environmental marketing activities (NAAG 1990); and 
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour (Azzone and Manzini, 1994).

According to Miller (2008), green businesses continue to evolve, and new companies are joining the trend. She adds that the green economy is valuated at more than $209 billion annually and is expected to reach $1 trillion by 2020. Seeing these figures it seems interesting to focus on the reasons explaining the behavior change of those companies.

Five reasons are explained in detail:

3.5.1 Green Marketing as an Opportunity

Keller G.M (1987) and Shearer (1990) these authors are the first who noticed that organizations perceive green marketing as an opportunity that can be used to achieve its objectives. Since society becomes greener, the demand for greener goods and services will rise.

In order to answer to these new needs, marketing will have to become greener, leading companies and other organizations towards sustainable management (Peattie, 1992).

In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment. This indicates the huge opportunity for the firms for environmentally products Ottman (1993).

Both individual and industrial consumers are becoming more concerned and aware about the natural environment. A study in 1994 in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behaviour, including their purchasing behaviour, due to environmental reasons [EPA-NSW 1994]. As demands change from non green to green or environment friendly products, many firms see these changes as an opportunity to be exploited.

By seeing the above figures, it can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. Polnsky (1994)
There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

• McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion [Gifford 1991, Hume 1991].

• Tuna manufacturers modified their fishing techniques because of the increased concern over drift net fishing, and the resulting death of dolphins [Advertising Age 1991].

• Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

It is very clear that environmental issues had an impact on the ways consumers choose, buy, and use products and services. An increasing awareness and concern for green marketing could be an opportunity for innovation. Study also gives an insight on how to make "Green" company practices, and put together those in an actionable plan, and ultimately through advertising communicate both an environmental awareness and a socially responsible corporate image to the target customer.


For the marketing strategist it is very important to understand the potential impact of the green agenda on their business and its customers. It is vital to understand the relative strengths and weaknesses of the company’s eco-performance. Superior eco-performance of the product is important in many markets because it can provide new market opportunities, through access to growing green markets. In markets such as financial services and tourism, green products represent the fastest growing area for new business. Kenn Peattie and Martin Charter, (2003:736)

In line with the above discussion it has been noted that environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented.

Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India. Sanjay K. Jain & Gurmeet Kaur (2004)
Due to the demand change, many firms see opportunities that can be exploited (Polinsky, 1994). People generally want to do the right thing, so the challenge and opportunity for the green marketer is to make it easy for people to do so (Queensland Government, 2006).

3.5.2 Green Marketing and Corporate Social Responsibility:

Businesses have the moral responsibility to give back to the community. Many firms in the developing nations are beginning to realize that they are the members of wider community and therefore must behave in an environmentally responsible fashion. Firms in the developed nations have already realized above fact and begun the eco-friendly practices to achieve environmental objectives as well as profit related objectives.

Organizations believe they have a moral obligation to be more socially responsible. Companies are more and more aware that their corporate responsibility as active members of the society is becoming an important factor in global competition and therefore they must behave in an environmentally responsible way (Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990).

Polonsky (1994) identify another dimension to above discussion that several firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in these circumstances can take two perspectives; 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact.

There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behaviour is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool.

An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While
being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities (Murphy 1985).

The above discussion was in firms’ strategy point of view. Along with the firm, (Louppe, 2006 explained that, society also feels concerned about environmental issues and now stock exchanges rates companies not only on the immediate financial results as they used to, but also in terms of corporate responsibility in the social and environmental fields (Glorieux-Boutonnat,2004). In this way environment manager positions have been created in order to meet requirements of the new sustainability agencies.

A lot of companies choose to become green because of their image. Many companies discover the necessity to become green when they are hurt by bad performances or negative rumors. A bad image of the company can lead to a diminution of trust in consumers and sometimes to a loss of consumers, so companies try to care about their image.

Sanjay Tripathy,(2011) conclude the discussion ,as green marketing is driving a lot of corporate social responsibilities (CSR) themes today. Some firms are going green for short term benefits while others are looking at it as a long term responsibility and incorporating 'green' as a part of their corporate DNA. This involves developing and marketing environment-friendly products that use sustainable methods and include green packaging and labels.

3.5.3 Green Marketing and Governmental Regulations:

Government Regulation is the most important reason which identified for implementation of green marketing practice. There are various rules and regulations framed by the government to protect consumers and society at large. The Indian government also has developed a framework of legislations to reduce production of harmful goods and their by products. For example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas etc. Polonsky(1994)
The KPMG report (2010) in India has a view that, the government for its part has much to do to ensure the growth trends are maintained, and encourage the development of greener vehicles, while also improving compliance to even existing environmental standards.

Federal Trade Commission (FTC) (1992) the legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges. In the USA, Federal Trade Commission (FTC) issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising.

The FTC offers four general guidelines for environmental claims:

1. Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
2. Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
3. Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
4. A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

The FTC's Environmental Marketing Guidelines provides additional guidance for a number of specific claims including "Degradable/Biodegradable/Photodegradable," "Compostable," "Recyclable," "Recycled Content," "Source Reduction," "Refillable," and "Ozone Safe/Ozone Friendly." They strongly recommend avoidance of overly general claims such as "environmentally friendly."

In 1996, the FTC updated the guidelines, substantially refining and detailing these issue-specific guidelines in order to overcome what critics called the ambiguous nature or "flexibility" of private labeling practices.
Governmental bodies are forcing firms to become more responsible (NAAG, 1990). Some firms choose to green their systems, policies and products due to economic and non-economic pressures from their consumers, business partners, regulators, citizen groups and other stakeholders (Prakash A. 2002).

The role of the government is to protect consumers and society and this protection has significant green marketing implications. As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways, 1) reduce production of harmful goods or by products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. (Polnsky, 1994).

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behaviour. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol. It has been observed that in many cases, mandatory environmental legislation is also forcing behavioral changes in consumers. Business may adopt an eco-marketing orientation as a strategic response to the dynamic environments of the nineties. Clarke, Geri (2004)

Mishra et al. (2010) has similar opinion that, in most the cases government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways: diminish production of harmful goods or by products, modify consumer and industry's use and/or consumption of harmful goods; or make sure that all types of consumers have the ability to evaluate the environmental composition of goods.

Ottman J. (2011) concludes the discussion by highlighting on worldwide role of government. Any Government across the world who believes that green is inconsistent with a robust economy may soon be unelectable. Government should
play a crucial role in changing the green rules by making green jobs, green energy, and green infrastructure a focal point of its national agenda. In response to world’s sustainability concerns, Government should play a crucial role in creating more sustainable cities and towns characterized by more green spaces for city dwellers and reduced inner-city congestion, bike paths, mandated hybrid taxis and natural gas “clean air” buses and giving a boost to farmers’ markets and community-supported agriculture.

### 3.5.4 Green Marketing and Competitive Pressure:

Along with the governmental pressure another major driving force in the environmental marketing area has been firms’ desire to maintain their competitive position. Competitors’ environmental activities pressure firms to change their environmental marketing activities (NAAG, 1990).

(Polonsky, 1994) supports this view and states that in several cases firms observe competitors promoting their environmental behaviours and attempt to emulate this behaviour. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacture stopped using driftnets the others followed suit [Advertising Age 1991].

Mishra et al. (2010) has the same opinion that in order to sustain in the competition, and to be in-line with competitors claim to being environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.

### 3.5.5 Green Marketing and Cost or Profit Issues:

Another reason for a company to become green is the cost associated with waste disposal or reductions in material usage forcing companies to modify their behavior (Azzone & Manzini, 1994).

Polnsky (1994) supports this view and states that in other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input for production. One Australian example of this is a firm which produces acidic waste water as a by product of production and sells it to a firm involved in neutralizing base materials. The last way in which cost or profit issues
may affect firms’ environmental marketing activities is that new industries may be developed. This can occur in two ways: a firm develops a technology reducing waste and sells it to other companies (Polonsky, 1994); or 2) a waste recycling or removal industry develops (Yurman, 1994). For example, firms that clean the oil in large industrial condensers increase the life of those condensers, removing the need for replacing the oil, as well as the need to dispose of the waste oil. This reduces operating costs for those owning the condensers and generates revenue for those firms cleaning the oil.

Morris, (1997) Porter and Van der Linde, 1995) continue by explaining pollution prevention through the use of environmentally friendly technology in production and marketing can lead to resource productivity in terms of reduced cost of operation.

Peattie and Crane (2005) also claimed that firms can be enthusiastic about green marketing when it involves short-term cost savings (packaging reduction, cost savings). Sometimes modifying the process of production can involve investments but it will save money in the long term. For example, the cost of installing solar energy is an investment in future energy cost savings (Queensland Government, 2006).

Another aspect of cost cutting is the implementation of sustainable marketing practices which involves product service innovation, effective communications and influencing consumer behavior is not only good for cost cutting but also for the customer relationship management and the return on investment. Miller (2008).

In concluding discussion Nidumolu Ram, C.K.Pralhad and M.R. Rangawami (2010) state that sustainability is a mother lade of organizational and technological innovations that yield both the bottom line and top line returns. Becoming environment friendly lowers the cost because companies end-up reducing the inputs they use. In addition the process generates additional revenues from better products or enable companies to create new business.

3.6 Green Marketing and Competitive Advantage:
The literature below highlights on understanding relationship between green marketing and competitive advantage. It helps the researcher to understand positive and negative impact of the green marketing on competitive advantage. Many companies from developed nations like Germany, United states and Japan have captured early mover advantage by developing environment friendly products, with low emissions and are lower in cost.
Schwartz and Miller, (1991) was the first who had an opinion that green marketing orientation may provide the organization with a strategic competitive advantage in globally i.e. both domestic and international markets.

During the 1990s, the argument was going on that greening can act as a source of competitive advantage emerged, from authors such as Elkington (1994), Azzone and Bertele (1994), and Porter and van der Linde (1995). Obvious examples come from companies such as The Body Shop, who compete on the basis of strong eco performance and by tapping into customer demand for greener products.

According to Polonsky, (1994), if there is a product with equal quality, price, performance and availability the consumer will choose the product with environmental benefit, this fact gives goods with environmental characteristics a competitive advantage.

Walley and Whitehead, 1994; Wong et al.( 1996) these authors have argued that it is difficult in practice to achieve and sustain competitive advantage from good eco-performance (e.g. The issues have often proved complex and costly to address; customers have often proved difficult to convince; greener product offerings have sometimes struggled to compete on technical merits against conventional products; and the media have often proved more critical of those attempting to improve their eco-performance and capitalize on it, than of the most polluting and wasteful companies. Despite this, it is clear that poor eco performance can put a company at a massive competitive disadvantage.

Another dimension to the Polonsky’s approach that, proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study. Karna, J., Hansen, E. & Juslin, H. (2003)

Jill Meredith Ginsberg and Paul N. Bloom, (2004) highlights on, the Competitive Landscape: companies contemplating a green strategy must consider how competitors are pursuing these potential target segments. Are key competitors already playing in
the green consumer space? Is it necessary to match their approach? Is there an opportunity to "outgreen" key competitors? Clearly, many companies have become committed to being socially responsible.

In today’s competitive environment, one can find, corporate social responsibility reports on every company’s web site with titles such as "Corporate Citizenship," "Environmental Health and Safety" or "Sustainability Report." As public scrutiny of corporations has increased throughout the past decade, companies in nearly every industry have begun to integrate environmental concerns into their product and service development. Businesses realize that they must be prepared to provide their customers with information on the environmental impact of their products and manufacturing processes.( J, Ottman and V. Terry, 1998 ) Some companies have devised more effective production.

Considering the above scenario, it is clear that there are various issues that determine the long-term efficiency of green marketing and how confidence and trust plays a role in order to gain competitive advantage through customer satisfaction and customer retention. The common denominator of both, CRM and green marketing is the creation of confidence, trust and value for customers. So, focus is laid on measures that lend credibility to companies green marketing by interviewing experts and observing their opinions about green marketing and eco-labeling. These are the issues identified by Ina Landua Glaciärvägen, Gävle Personnummer (2008) in their thesis.

Here we conclude that companies have realized that consumers prefer products that do not harm the natural environment as also the human health. Companies are marketing such green products, which are preferred over the others non green products, and thus develop a competitive advantage, simultaneously meeting their business objectives. Mishra etal. (2010)

3.7 Sustainable Development through Green Marketing

Everything is sustainable (Temple, 1992). Sustainable development has become a buzzword found in much environmental and some economics literature these days. Certainly the idea of sustainable development has become increasingly popular in the contemporary world. The word sustainable has been used in too many 60 situations today, and ecological sustainability is one of those terms that confuse a lot of people.
We hear about sustainable development, sustainable growth, sustainable economies, sustainable societies, and sustainable agriculture.

Sustainable development is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for future generations. The term was used by the Brundtland Commission which coined what has become the most often-quoted definition of sustainable development as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Sustainable development as per the “Report of the World Commission on Environment and Development (United Nations, 1987)” can be viewed as a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but in the indefinite future. The field of sustainable development can be conceptually broken into three constituent parts: environmental sustainability, economic sustainability and sociopolitical sustainability.

In line with the above discussion the most broadly accepted criterion for corporate sustainability constitutes a firm’s efficient use of natural capital. This eco-efficiency is usually calculated as the economic value added by a firm in relation to its aggregated ecological impact. (Schaltegger, S. & Sturm, A. 1998) This idea has been popularized by the World Business Council for Sustainable Development (WBCSD) under the following definition: “Eco-efficiency is achieved by the delivery of competitively-priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resource intensity throughout the lifecycle to a level at least in line with the earth’s carrying capacity.” (DeSimone and Popoff, 1997).

Some authors have addressed the application of Environmental marketing planning for the strategy, structure and process framework for organizational and product level response to environmental imperatives. Most large manufacturing firms now devote substantial time and resource to environmental management. This is important as it allows industry to contribute to ecologically sustainable development through the application of total quality environmental management processes or through the redesign of products and manufacturing technologies. Pujari and Wright (1996) (Polonsky et al, 1997) Sustainable development requires “sustainable marketing” that is marketing efforts that are not only competitively sustainable but are also
Indeed, marketing’s role in the development process is well recognized (Kinsey, 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 to satisfy human needs and wants. However, marketing’s critical role in development will only be appreciated when, through sustainable marketing, it meets the needs of the present without compromising the ability of future generations to meet their own needs (Polonsky et al, 1997).

In response to the challenge of advancing simultaneously in economic development and environmental protection, companies and academicians have developed and/or adopted green marketing strategies and other corporate strategies. Among the key strategies are; green product strategies, green logistic strategies, green pricing strategies, green promotion strategies, changing consumers from consumption culture to ecologically concerned consumers, adoption of eco-marketing orientation as a business philosophy, Government intervention, lifecycle inventory analysis and teaming up for success.

Sustainable development has become such crucial agenda that along-with the individual firm, worldwide nations were also concerned about various aspects of it and as a result of it “The 1992 Rio Earth Summit was attended by 152 world leaders, and sustainability was enshrined in Agenda 21, a plan of action, and a recommendation that all countries should produce national sustainable development strategies”. Despite binding conventions and numerous detailed reports, there seems to have been little known about the details to ordinary citizens around the world. In the 10+ years since Rio, there has been little change in poverty levels, inequality or sustainable development, as the World Development Movement notes. “Despite thousands of fine words the last decade has joined the 1980’s as another ‘lost decade for sustainable development’ with deepening poverty, global inequality and environmental destruction”. Anup Shah (1997)

Dyllick, T. & Hockerts, K. 2002 Similar to the eco-efficiency concept but so far less explored is the second criterion for corporate sustainability. Socio-efficiency describes the relation between a firm’s value added and its social impact. Whereas, it can be assumed that most corporate impacts on the environment are negative (apart from rare exceptions such as the planting of trees) this is not true for social impacts. These can be either positive (e.g. corporate giving, creation of employment) or negative (e.g. work accidents, mobbing of employees, human rights abuses).
Depending on the type of impact socio-efficiency thus either tries to minimize negative social impacts (i.e. accidents per value added) or maximize positive social impacts (i.e. donations per value added) in relation to the value added).

Below given figure is a representation of sustainability showing how both economy and society are constrained by environmental limits (Ottman, K.2003).

**Figure 3.2 Sustainability**

![Sustainability Diagram](image)

The United Nations Division for Sustainable Development lists the following areas as coming within the scope of sustainable development: Sustainable development is an eclectic concept, as a wide array of views fall under its umbrella. The concept has included notions of weak sustainability, strong sustainability and deep ecology. Different conceptions also reveal a strong tension between ecocentrism and anthropocentrism. Many definitions and images (Visualizing Sustainability) of sustainable development coexist. Broadly defined, the sustainable development mantra enjoins current generations to take a systems approach to growth and development and to manage natural, produced, and social capital for the welfare of their own and future generations.

Kotler (2000) uses the term “societal marketing concept” to cover social and ecological responsibilities. Recent developments show that a green agenda following holistic principles has now been integrated into mainstream marketing literature (McDonagh and Prothero, 1997). However, it seems that many companies feel uncertain how they should react to green challenges.

Nidumolu Ram, C.k.Prahlad and M.R. Rangaswami (2010) According to them there is no alternative to sustainable development. Even so many companies are convinced that the more environment friendly they become, the more the effort will erode their
competitiveness. Authors have found that companies on the journey to sustainability go through five distinct phases of change.

1. Viewing compliance as an opportunity
2. Making value chains sustainable
3. Designing sustainable products and services
4. Developing new business model
5. Creating next practice platform

In the ten years since Rio, sustainable development hasn’t been very high on international agendas” and criticizes both rich and poor nations alike: In many countries — rich and poor — this is often because of a perception that sustainability is expensive to implement and ultimately a brake on development. Poor countries for their part usually lack the physical infrastructure, ideas and human capacity to integrate sustainability into their development planning. Besides, they are often quite skeptical about rich countries’ real commitment to sustainable development and demand a more equitable sharing of environmental costs and responsibilities.

Many people also believe that environmental problems can wait until developing countries are richer. Ten years on, there is still no widely shared vision of what sustainable development might mean in practice. India sees the idea of a light ecological footprint as part of its cultural heritage. Japan, on the other hand, is debating whether the emphasis should be on the “sustainable” or on the “development” half of the equation- Roads to the Summit, LEAD International and Panos London, 30 August 2002.

Sustainable development has continued to evolve as that of protecting the world’s resources while its true agenda is to control the world’s resources. Realizing this importance, these days one of the key business strategies ensuring sustainable development has taken the shape of Green Marketing. Green marketing concept emerges from societal marketing (Kotler, 1999). Green marketing is an attempt to characterize a product as being environmental friendly (eco friendly). It holds the view that marketing which is a part of business not only has to satisfy customers in particular, but also has to take into account the interests of society in general. That is, all those who are affected by the activities of a business should be kept in mind when setting the objectives and the policies of an organization.

(Menon and Menon, 1997) highlights this has already helped to increase the recent trend towards the “greening” of the companies. Moreover, we will see that this kind
of thinking distinguishes the enterprises that will prosper in the dynamic, global marketplace of the 21st century.

According to Hasna Vancok, (2007) sustainability is a process which tells of a development of all aspects of human life affecting sustenance. It means resolving the conflict between the various competing goals, and involves the simultaneous pursuit of economic prosperity, environmental quality and social equity famously known as three dimensions of Sustainability.

As Green marketing focus on undertaking all marketing activities while protecting the environment. On the other hand sustainable development demands that the future generations inherit the natural environment in the same state or better as inherited by the previous generations. Marry Wanjiru kinoti (2011) this calls for the protection and improvement of the environment. Therefore, sustainable development is a dependent variable of green marketing and other factors (See fig conceptual framework of green marketing and sustainable development which illustrates this relationship.)
Fig 3.3. Conceptual framework of green marketing intervention strategies and sustainable development.


As per the framework shown in the above diagram, organization through conventional finance and accounting; production processes and technology; general management practices; marketing; human resources management; research and development; and
other variables contribute to environmental concerns facing the world today. In addition macro-environmental factors; economic, socio-cultural, technological, demographic and political-legal also contribute to environmental concerns today. The model shown in the above diagram further proposes that marketing through green marketing intervention strategies can respond to the environmental concerns challenge. Other business functional areas can also intervene through various strategies to provide solutions to the environmental problems. These intervention strategies will result in improved organizational performance and better physical environment, which in turn will result in sustainable development. Table below shows the ingredients of environmental concerns today, green marketing intervention strategies, improved organizational performance, better physical environment, and sustainable development.
Table 3.1: Ingredients of selected components of green marketing and sustainable development conceptual framework

<table>
<thead>
<tr>
<th>Environmental concerns today</th>
<th>Green marketing intervention strategies</th>
</tr>
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<tbody>
<tr>
<td>• Global warming</td>
<td>• Green product strategies</td>
</tr>
<tr>
<td>• Industrial air pollution</td>
<td>• Green distribution strategies</td>
</tr>
<tr>
<td>• Industrial waste pollution</td>
<td>• Green pricing strategies</td>
</tr>
<tr>
<td>• Hazardous waste</td>
<td>• Green promotion strategies</td>
</tr>
<tr>
<td>• Depletion of vital natural resources</td>
<td>• Green consumption strategies</td>
</tr>
<tr>
<td>• Desert consuming agricultural lands</td>
<td>• Green probe strategies (marketing information system)</td>
</tr>
<tr>
<td>• Disappearance of rain forest and animals</td>
<td></td>
</tr>
<tr>
<td>• Landfills</td>
<td></td>
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<tr>
<td>• Other concerns</td>
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<table>
<thead>
<tr>
<th>Improved organizational performance</th>
<th>Better physical environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Market share</td>
<td>• Reduced air and water pollution</td>
</tr>
<tr>
<td>• Customer satisfaction</td>
<td>• Conservation of natural resources</td>
</tr>
<tr>
<td>• Competitive advantage</td>
<td>• More energy reservoirs</td>
</tr>
<tr>
<td>• Profitability</td>
<td>• Reduced raw materials usage</td>
</tr>
<tr>
<td>• Positive company image</td>
<td>• More forests</td>
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<tr>
<td>• Others</td>
<td>• Conservation of animals</td>
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<tr>
<td></td>
<td>• Other environmental improvements</td>
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<table>
<thead>
<tr>
<th>Sustainable Development</th>
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<tr>
<td>• Constant natural capital stock</td>
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<td>• Constant manmade capital stock</td>
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3.8 Green Marketing Mix Based Strategies

(Polonsky et al, 1997; Ottman, 1997; Willum, 1998) identified that green marketing mix strategies include developing green-based products, green pricing, green logistics, green promotion, and green consumption. These strategies are not limited to marketing discipline but may be used by marketing as well as other functional areas of organization in dealing with problem of sustainability. They include; adoption of eco-marketing orientation as a business philosophy, government intervention, undertaking life-cycle analysis and teaming up for success.

Green based product strategies - Comprise any or a combination of recycling, reduction of packaging material which is compostable, reconsumption, using sustainable sources of raw materials ,making products more durable, safe for disposal, repairable, making products and packagings that are compostable, and making products that are safer or more pleasant to use (Bhat, 1993; Ashley, 1993; Polonsky et al, 1997; Ottman, 1998 and Charter et al, 1999).

Each strategy is explained in detail below:

**Green based logistics strategies** - Most common form is reverse channel system which deals with post-consumer recycling. End consumer will carry function of sorting & accumulation & recyclable materials can flow backwards through reverse channel to either original manufacturer or raw material producing industries, or industries that can use recyclables as virgin material substitutes. (Fuller, 1997).

**Green based pricing strategies** - Environmentally responsible products are often less expensive when product life cycle cost is taken into consideration; for example fuel efficient bio diesel vehicles. Any environmental friendly new technology is expensive when it is introduced in the market for the first time. As the market expands and volume grows, price drops.

**Green based promotion strategies** - It is an activity of promoting products as having characteristics that do not harm the natural environment (Polonsky et al, 1997). Green marketers will be able to reinforce environmental credibility by using sustainable marketing, promote green lifestyle with or without highlighting a product or service, and provide performance reassurance of green based products, as many consumers perceive them as to be inferior to conventional products.
Green based consumption strategy - Change of consumer behavior from consumption culture to ecology concerned consumers encourage green consumption. Contribution of above all green based marketing strategies can be used as a tool for better organizational performance and improved physical environment, getting competitive advantage which will ultimately result in sustainable development.

3.11 The Green Marketing Strategy Matrix:

In the above section we have discussed strategies based on green marketing mix. Ginsberg and Bloom,(2004) also identified green marketing strategies and presented it in the form of matrix which can be defined as Lean, Shaded, defensive, Extreme green marketing. According to him Companies should think about the expected size of the green market in their industry as well as their ability to differentiate their products on "greenness" from those of their competitors before choosing one of the strategies in the matrix.

Processes that reduce waste or the need for raw materials (or both). Others have learned to design products that are better for the environment. For example, Anheuser-Busch Inc. developed an aluminum can that is 33% lighter than previous cans. The reduced use of aluminum, combined with an overall recycling plan, saves the company $200 million a year.( Anheuser-Busch Annual Report, 1998) and McDonald's Corp. saved 3,200 tons of paper and cardboard in 1999 by eliminating clamshell sandwich containers and replacing them with single-layer flexible sandwich wraps. This move was prompted by increased consumer concern relating to polystyrene production and ozone depletion. (B. Gifford,1991).
Choosing Green Marketing Strategy:
Ginsberg and Bloom (2004) Managers must ask themselves two sets of questions regarding a green-marketing strategy. (See "The Green Marketing Strategy Matrix.")

First, how substantial is the green consumer segment for the company? Can the company increase revenues by improving on perceived greenness? Would the business suffer a financial blow if consumers judged the company to be inadequately green? Or are there plenty of consumers who are indifferent to the issue that the company can serve profitably?

Second main question: Can the brand or company be differentiated on the green dimension? Does the company have the resources, an understanding of what it means to be green in its industry and the internal commitment at the highest management levels to be green? Can competitors be beaten on this dimension, or are some so entrenched in the green space that competing with them on environmental issues would he very expensive and frustrating? (Note that answers to both sets of questions will help a company determine how much it should stress greenness as a differentiating attribute in its marketing, not how much it should invest in environmentally friendly business practices. How a company responds to that issue should be guided by a host of other considerations.) Depending on how these questions are answered, companies should consider one of these strategies:

**Lean Green:** Lean Greens try to be good corporate citizens, they adopt green practices, but they are not focused on publicizing or marketing their green initiatives. Instead, they are interested in reducing costs and improving efficiencies through pro-environmental activities, thereby creating a lower-cost competitive advantage, not a green one. They are usually seeking long-term preemptive solutions and want to comply with regulations, but they do not see substantial money to be made from the green market segments.

So lean green strategy is one in which greenness tends to be exhibited mostly in product development, design and manufacturing. These firms are often hesitant to promote their green activities or green product attributes for fear of being held to a higher standard — and not always being able to live up to it or differentiate themselves from competitors. Despite some public setbacks, the Coca-Cola Co. can be characterized as a Lean Green company. Most consumers do not know that the company has invested heavily in various recycling activities and package
modifications. Although Coca-Cola is concerned about the environment, in most cases it has chosen not to market its efforts. (Polonsky 1994)

**Defensive Green**: Defensive Greens usually use green marketing as a precautionary measure, a response to a crisis or a response to Differences among the four strategies of green marketing can be seen by considering how the four elements of the marketing mix — product, price, place and promotion — are utilized in each strategy. The defensive green strategy mainly involves the promotion aspect of the marketing mix. Making particular use of quieter public relations promotions rather than overt tools like advertising. The defensive green also quietly pursues greenness in its product development, design and manufacturing. Defensives will pursue actions such as sponsoring smaller environmentally friendly events and programs. And they will certainly defend their environmental records with public relations and advertising efforts if they are attacked by activists, regulators or competitors. But unless they discover that they can obtain a sustainable competitive advantage on the basis of greenness, they will not launch an overt, significant green campaign.

**Shaded Green**: Shaded Greens invest in long-term, system wide, environmentally friendly processes that require a substantial financial and nonfinancial commitment. These companies see green "as an opportunity to develop innovative needs-satisfying products and technologies that reuse in a competitive advantage." They have the capability to truly differentiate themselves on greenness, but they choose not to do so because they can make more money by stressing other attributes. Shaded Greens primarily promote the direct, tangible benefits provided to the customer and sell their products through mainstream channels. Environmental benefits are promoted as a secondary factor. The Toyota Prius is advertised today as "an environmentally advanced, fuel-efficient hybrid." However, when the Prius was first launched in the U.S. market in 2000, Toyota Motor Corp. did not play up its environmental attributes. The emphasis was instead on fuel efficiency — consumers would spend less on gas and spend less time at the pump. The fact that the Prius reduced air pollution was merely icing on the cake. This type of promotion works particularly well for products that have the ability to help the consumer save on recurring expenses; energy efficient appliances are another example.

The shaded green strategy puts some secondary emphasis on greenness in its more overt promotional efforts and also pursues greenness in product development, design
and manufacturing as well as in pricing if cost efficiencies can be achieved with greenness.

**Extreme green:** This strategy involves heavy use of all the marketing mix elements, including the place element, as distribution systems and retailers are chosen and given incentives on the basis of their greenness. A competitor's actions. They seek to enhance brand image and mitigate damage, recognizing that the green market segments are important and profitable constituencies that they cannot afford to alienate. Their environmental initiatives may be sincere and sustained, but their efforts to promote and publicize those initiatives are sporadic and temporary, since they do not typically have the ability to differentiate themselves from competitors on greenness. Aggressive promotion of greenness would be wasteful and would create expectations that could not be met.

Holistic philosophies and values shape to extreme Green companies. Environmental issues are fully integrated into the business and product life-cycle process of these firms. Usually greenness has been a major driving force behind the company since day one. Practices involve life-cycle pricing approaches, total-quality environmental management and manufacturing for the environment. Extreme Greens often serve niche markets and sell their products or services through boutique stores or specialty channels. Examples of Extreme Greens include The Body Shop, Patagonia and Honest Tea of Bethesda, Maryland.

### 3.9 Classification of Companies Based On Environmentalism

In above sections we have discussed awareness, objectives, and various reasons for implementation of green marketing. Along with that sustainable development through green marketing, green marketing based strategies have been discussed, this section highlights the classification of companies based on environmental awareness and protection.

Alex Steffen(2003) describes contemporary environmentalists as being split into three groups, “dark”, “light”, and “bright” greens. The term “bright green”, first coined in 2003 by Alex Steffen, refers to the fast growing new wing of environmentalism, distinct from traditional forms. Bright green environmentalism aims to provide prosperity in an ecologically sustainable way through the use of new technologies and improved design. “Light greens” see protecting the environment first
and foremost as a personal responsibility. They fall in on the transformational activist end of the spectrum, but light greens do not emphasize environmentalism as a distinct political ideology, or even seek fundamental political reform. Instead they often focus on environmentalism as a lifestyle choice. The motto “Green is the new black” “sums up this way of thinking, for many. This is different from the term “light green”, which some environmentalists use to describe products or practices they believe are greenwashing (Article ‘Eco-friendly: Why green is the new black’ – International Herald Tribune). In contrast, “dark greens” believe that environmental problems are an inherent part of industrialized capitalism, and seek radical political change. Dark greens believe that dominant political ideologies (sometimes referred to as industrialism) are corrupt and inevitably lead to consumerism, alienation from nature and resource depletion. Dark greens claim that this is caused by the emphasis on economic growth that exists within all existing ideologies, a tendency referred to as “growth mania”. The dark green brand of environmentalism is associated with ideas of deep ecology, post-materialism, holism. Based on these concepts of Sustainable Development and its importance in growth, many of the Nations have adopted “Green Marketing” as an integral part of their business strategies. They have realized the fact that “Green marketing” isn’t merely a catch phrase; it’s a marketing strategy that can help you get more customers and make more money leading to sustainable growth. They have realized that green marketing is not purely altruistic - it can be a profitable endeavor for sustainable growth. So, why not enter the bandwagon of green marketing for sustainable growth?

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The term “bright green”, first coined in 2003 by writer Alex Steffen, refers to the fast growing new wing of environmentalism, distinct from traditional forms. Bright green environmentalism aims to provide prosperity in an ecologically sustainable way through the use of new technologies and improved design.

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In contrast, “Dark greens” believe that environmental problems are an inherent part of industrialized capitalism, and seek radical political change. Dark greens believe that dominant political ideologies (sometimes referred to as industrialism) are corrupt and inevitably lead to consumerism, alienation from nature and resource depletion. Dark greens claim that this is caused by the emphasis on economic growth that exists within all existing ideologies, a tendency referred to as “growth mania”.

From the above discussions it’s been clear that Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. For example, when consumers are forced to make trade-offs between product attributes or helping the environment, the environment almost never wins. Most consumers simply will not sacrifice their needs or desires just to be green, as the case of the Ford Think, a two-seater electric car, demonstrates. Ford Motor Co. initially expected this car to be a big hit, but late in 2002 the company announced it was scrapping the vehicle. The Think, which required six hours of recharging after being driven for only 50 miles, would have required drastic changes in driving behavior by its owners. The lesson is that regardless of their environmental benefits, electric-powered cars will remain a niche product at best until manufacturers can radically improve battery life and cost. (Ford Pulls Plug, Aug 2002). This also explains why car manufacturers are now pinning their hopes on gas- and electric-powered hybrids. Jill Meredith Ginsberg and Paul N. Bloom (2004)

Hopes for green products have also been hurt by the perception that such products are of lower quality or don’t really deliver on their environmental promises. In a 2002 Roper survey, 41% of consumers said they did not buy green products because they worried about the diminished quality of eco-friendly versions. (Roper ASW, 2002). And both Procter & Gamble Co. and Wal-Mart Stores Inc. have been criticized for selling a brand of paper towels labeled as green in which the inner tube was made of recycled paper but the towels themselves were made of chlorine-bleached un recycled paper and came packaged in plastic.( F. Cairncross, 1992) And yet the news isn’t all
bad — far from it. For example, a growing number of people are willing to pay a premium for organic foods because, whether it is actually true or not, they believe organic food to be healthier, tastier and safer. (Mintel Marketing Intelligence, 1997) Likewise, some consumers have been willing to pay an up-front premium for energy-efficient, water-conserving washer and dryer units (although the price premium has diminished recently). Such consumers realize that they will actually save money on energy and water bills over the long term. Organic foods and energy-efficient appliances thus appeal to consumers' self-interest. While at the same time promoting environmental benefits — a dual message that electric cars cannot deliver. (J. Ottman, 1998) How, then, should companies handle the dilemmas associated with green marketing? They must always keep in mind that consumers are unlikely to compromise on traditional product attributes, such as convenience, availability, price, quality and performance. In other words, green products must match up on those attributes against non-green products in order to earn consideration from the vast majority of consumers. It's even more important to realize, however, that there is no single green marketing strategy that is right for every company. The strategies that should work best under different market and competitive conditions range from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach — with "defensive green" and "shaded green" in between. Managers who understand these strategies and the underlying reasoning behind them will be better prepared to help their companies benefit from an environmentally friendly approach to marketing.

3.10 Segmentation of Green Consumer

In the discussion above the researcher has made attempts to identify classification of companies based on environmentalism. It is also essential to identify classification or segmentation of consumers based on environmentalism. Jill Meredith Ginsberg and Paul N. Bloom (2004) highlights segmentation of green consumer, though buying green may not appeal to every consumer, there are substantial numbers of consumers who are potentially receptive to a green appeal. According to the Roper survey mentioned above, 58% of U.S. consumers try to save electricity at home, 46% recycle newspapers, 45% return bottles or cans and 23% buy products made from, or packaged in, recycled materials. So it is clear that some consumers already demonstrate sporadic green sentiments in their habits and purchasing behavior. Understanding the target consumer will help marketers to know
whether "greenness" is an appropriate selling attribute and how it should be incorporated into the marketing mix. To respond to consumers' varying degrees of environmental concern, marketers can segment the market into different shades of green. The Roper survey divides consumers into the following groups:

**True Blue Greens (9%)**: True Blues have strong environmental values and take it upon themselves to try to effect positive change. They are over four times more likely to avoid products made by companies that are not environmentally conscious.

**Greenback Greens (6%)**: Greenbacks differ from True Blues i.e. they do not take the time to be politically active. But they are more willing than the average consumer to purchase environmentally friendly products.

**Sprouts (31%)**: Sprouts believe in environmental causes in theory but not in practice. Sprouts will rarely buy a green product if it means spending more, but they are capable of going either way and can be persuaded to buy green if appealed to appropriately.

**Grousers (19%)**: Grousers tend to be uneducated about environmental issues and cynical about their ability to effect change. They believe that green products cost too much and do not perform as well as the competition.

**Basic Browns (33%)**: Basic Browns are caught up with day to-day concerns and do not care about environmental and social issues. These figures indicate that somewhere between 15% and 46% of the overall consumer market could be receptive to a green appeal, depending on the product category and other factors. And there are social, cultural and economic trends that could cause the size of this target market to grow. One trend worth noting is the aging of the baby boomers — their concern about living longer, healthier lives is leading them to place a high priority on environmental quality." (S. Smith, 2002)

Sonya Veleva (2010) Study is mainly important because it gives insight of green consumers represent a very small segment although results vary depending on the industry and demographic characteristics of the segment. It can be said that truly green consumers look for green products and they are loyal consumers. It also gives better understanding of new green marketing perception terminologies like True Sprouts, Blue Greens, Greenback Greens, Grousers, Basic Browns.
3.13 Technology and Green Marketing

Rapid advancement in technology has lot of impact on the environmental activities. Technology also can facilitate changes in consumption and how wants are satisfied. For example, one can purchase products and services on the Internet and, as a result, travel less frequently to the shops. If taken to the extreme, one could argue that society would need fewer retail outlets thus further reducing the overall environmental impact of the consumption experience (i.e., fewer materials used in construction), and ecommerce could have a positive environmental impact. (Sui and Rejeski, 2002).

Such changes might not simply relate to consumers, but business's use of technology could also translate to environmental savings. One practical example are virtual organizations in which people telecommute (Davenport and Pearlson, 1998) requiring fewer offices and office infrastructure (buildings, carpet, furniture, etc). These organizations often have regional centres where employees can use hot desks, hold meetings or use teleconference facilities to meet.

This new model of structuring organizations creates significant environmental benefits while achieving organizational objectives (Allenby and Richards, 2007). Furthermore, as individuals get used to such innovations, the new products and behaviours become more widely-accepted consumption practices and become natural extensions of how people interact with technology.

3.14 Challenges with Going Green

There are a number of potential problems firms are facing while implementing green marketing practices. Firms must overcome of these problems. One of the main problems is that firms using green marketing must make sure that their activities are not misleading to consumers or industry, and do not breach any of the government regulations or laws dealing with environmental marketing. (Polonsky 97)

For example marketers in the US must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines. Green marketing claims must:

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
• Only use meaningful terms and pictures.

One more problem firm’s face is that those who modify their products as environment friendly product, due to increased consumer concern must contend with the fact that consumers’ perceptions are sometimes not correct. For example the McDonald's case where it has replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle to grave approach, polystyrene is less environmentally harmful. If this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option.

When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro-fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethyl ether) as an aerosol propellant, which may also harm the ozone layer [Debets 1989]. Given the limited scientific knowledge at any point in time, it may be impossible for a firm to be certain they have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash, if it is determined they made the wrong decision in the past.

Though governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims [Schlossberg 1993]. If governments want to modify consumer behavior they need to establish a different set of regulations. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body.

Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." A costly example of this was the Mobil Corporation which followed the competition and introduced "biodegradable" plastic garbage bags. While technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states
for using misleading advertising claims [Lawrence 1991]. Thus blindly following the competition can have costly ramifications.

(Mary Wanjiru Kinoti 2011) also highlighted various challenges for implementing green marketing practices. Despite the numerous benefits of green marketing it is not without constraints/challenges, those include:

i) In general all the green marketing strategies are expensive and difficult to implement in the short run. ii) The environmental benefits are intangible, indirect or insignificant to consumers for example, consumers cannot see the emissions being spared when they use energy saving appliance. iii) Environmental benefits are difficult to measure or quantify. iv) Some strategies (e.g. promotion) are subject to manipulation for example, some marketers use false environmental claims in order to gain competitive advantage. v) The success of green marketing depends on several stakeholders who must work as a team. These include; general public, employees, retailers, government, environmental groups, and suppliers. Any group can derail the exercise. vi) The costs saved through recycling are doubtful.

Polonsky, Michael Jay, (2011) The paper discusses why the three groups Consumer, Firms, government have had difficulties in embracing environmental issues, thus hampering real transformative green marketing from occurring. To address the difficulties three proposed actions need to be undertaken: (1) Marketers need to look for new ways of calculating and communicating value that integrates environmental value, thereby moving away from financial measures which have no real environmental meaning. (2) Change the discourse regarding the environment, highlighting the importance of action and inaction, which needs to be based on increased education about the human–environment interface. (3) Marketing needs to refocus its emphasis on want satisfaction, shifting away from the acquisition of goods, thereby enhancing how marketers create value. Making these changes will allow marketers to operationalize transformative green marketing so the human condition and the natural system that humans operate within are both improved and bring about transformative green marketing.

Eco/ environmental performance

For proactive companies seeking to gain competitive advantage, and for the more reactive companies seeking to avoid the costs and potential for competitive disadvantage associated with environmental damage, the central issue concerns their
‘eco-performance’. This represents the impact that products and businesses have on the human and natural environment within which they exist, but it is not a straightforward concept.

The eco-performance of businesses and products, like the demand of consumers, comprises many different shades of green. Trying to identify a company as either green or ‘dirty’ is rather misleading, in the same way as trying to classify a company as marketing orientated or not. Such ‘black or white’ distinctions are inappropriate for a performance continuum, and the relativity of eco-performance is reflected in Charter’s (1992) concept of ‘greener’ rather than ‘green’ marketing.

Developing a more holistic green strategy requires an appreciation of the product itself, what goes into it, and what goes into, and out of, the environment as a result of its production and use. This process is analogous to Porter’s ‘value chain’ approach, as shown in Figure

Fig 3.5 Components of environmental performance
An important new frontier for business academics and practitioners will be to try to develop measures of social and environmental performance to allow comparisons of eco-performance among companies, products and technologies.

### 3.14.1 Going Green- the Philosophical Challenge

Peattie, (1999) In its pursuit to satisfy consumers, and in the marketing activities involved, green marketing resembles conventional marketing. Many of the key differences between the two relate to the values and philosophies which support the marketing strategy and the ways in which particular elements of marketing are conceptualized. Green marketing seeks to balance the techno-economic market perspective with a broader socio-environmental approach. This will require a re-evaluation of some fundamental marketing assumptions and concepts (Kilbourne et al., 1997).

Some important areas to re-evaluate include: Marketing’s legitimacy. Marketing’s role in driving forward economic growth by stimulating demand and its role in satisfying customer wants have always legitimized marketing, to the extent that the benefits of ever increasing consumer choice and economic growth have gone unquestioned. The green challenge has changed this.

Mulhern (1992) proposes the need to focus on customer welfare rather than purely on customer wants. Issues such as passive smoking and car safety (which usually equates to driver safety) have highlighted the failure of marketing to address the needs and welfare of non-consumers.

Durning (1992) points out that only one-fifth of the world’s population have sufficient disposable wealth to make consumption choices and belong to the ‘consumer class’. He also questions the morality of that richest fifth continuing to enjoy a standard of living that the planet cannot sustain, and which the remaining four-fifths can aspire to (encouraged by the images from marketing communications) but are unlikely to attain. The need for sustainability also requires us to question the validity of striving to satisfy all current consumer wants, if they are at the expense of future generations of consumers.
Going Green - The Management Challenge

Another challenge after philosophical challenge is management challenge. According to Bannerjee (1999), Marketers’ interest in eco-performance may reflect external drivers of legislation, customer demand and public opinion, or internal drivers relating to top management commitment, corporate strategy or the pursuit of competitive advantage, whatever the motivation, making a commitment to improve or compete on eco-performance can be a major challenge.

Even among those companies well known for good eco-performance, greening programmes have often been prone to hitting what Robert Shelton of Arthur D. Little describes as a ‘green wall’. Here the management responsible for environmental improvement, and their strategies, come into conflict with entrenched corporate power balances and values once the ‘low-hanging fruit’ have been picked (Shelton, 1994). It is clear that, for managers seeking to promote corporate social and environmental improvement, there is a significant internal marketing task to address.

As marketing has an important leadership role to play within firms in relation to the environment. Coddington (1993) recommends that firms engaged in a greening process should set up an environmental task force in which marketers play a leading role. He identifies two sets of strengths that marketers can contribute to the greening process, the marketing perspective and the marketing skill-set. The greening challenge requires creativity, the ability to work effectively across internal organizational boundaries and excellent communication skills.

Coddington identifies marketing managers as being often ‘superbly qualified’ for the task because: _ Marketers are able to identify and analyse the marketing implications of corporate environmental exposures and initiatives. And Marketers can help to identify new business product and service opportunities that arise out of those same environmental exposures and initiatives (for example, using hazardous waste clean-up obligations as a springboard for entry into the hazardous waste remediation business).

Ken Peattie and Martin Charter (2003), This study mainly focuses on how going green could be a management challenge. The marketing director is the main board director responsible for environmental issues and is therefore ultimately responsible for researching the issues, writing the policy and auditing progress. Marketing
director has responsibility to ensure that the environmental policies and targets of marketing are implemented. Adopting holistic perspective, embracing stakeholders approach are changing the marketing timeframe. Also focused on practical challenge to greening the marketing mix, evolving agenda from green products to sustainable value. In both the ecological and societal marketing concepts, the emphasis on socio-environmental issues for marketers has mostly been framed in terms of costs and constraints. Another important new dimension that green marketing introduced was an emphasis on socio-environmental issues as a potential source of innovation and opportunity for marketers.

The Practical Challenge –Greening the Marketing Mix

Last challenge in going green is the practical challenge ie implementation in real situation. Ken Peattie and Martin Charter(2003), focusing on how going green could be The practical challenge how to greening the marketing mix.

Green Product management: The products have to be developed depending on the needs of the customers, who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Another attribute could be processes by which the product is created and the attributes of the company that produces it. Conventional marketing talks about the core product, the tangible product (which includes packaging and other physical dimensions) and the augmented product (including service dimensions). Since green marketing requires an approach to product management which incorporates how the product is made as a product attribute, it is helpful to think of this as the ‘total product’ concept (Peattie, 1995).

The challenge in developing a total green product is to improve eco-performance while producing acceptably comparable levels of functionality and service, at a competitive price.


Another practical challenge is discarded packaging accounts for a large proportion of waste in industrialized economies and a good deal of the environmental impact of many products. Packaging has been an obvious starting point for many companies’
green marketing efforts, since packaging can often be safely reduced without expensive changes to core products or production processes and without a risk of disaffecting customers. As with many dimensions of green marketing, success in practice can be more difficult than some of the prescriptive advice available for marketers suggests. An example when Sony experimented with reclaiming and reusing packaging materials for its television sets, it led to a customer misconception that the product inside the packaging was also not new. For the reuse and recycling of packaging materials to make a meaningful difference, manufacturers need to ensure that efforts are supported by the infrastructure of collection systems and customer information and education.

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.

Greenwashing (False Green Claims)
Another crucial challenge in front of green marketing is green washing. Davis (1993) suggests the following key things in order to avoid green-washing (false green claims) theses are ensure that the promoted benefit has a real impact, e.g. reduced harmful emissions, identify the product’s specific benefit in terms of the product attribute that contributes to improved environmental performance, provide specific data about the benefits, e.g. specifying the proportion and nature of recycled content, provide a context to allow consumers to make meaningful comparisons, define any technical terms used and explain the benefit, since consumers often have limited understanding of environmental issues.
Drumwright, (1994) has a opinion that Personal selling in non-consumer markets is often important, and requires the sales force to be aware of the environmental implications of the company and its products and processes.
Ken Peattie and Martin Charter (2003) highlight that many companies wanted to promote themselves and their products through explicit or implicit association with environmental or social issues. However, promotion has been one of the most controversial areas of the green marketing agenda. Conventional advertising has been criticized for presenting green products as oversimplified solution to complex environmental problems. Public relations which is a part of promotion has also been a key communications channel for companies to put across messages relating to good eco-performance, both in relations to brands and to corporate level communications aimed at building corporate reputation and identity.

**Green Pricing:** Price is a critical and important factor of green marketing mix. Porter and van der Linde (1995) suggest that consumer demand for green products can allow for the addition of green price premiums, as applies to free-range eggs and dolphin friendly (rod-and-line caught) tuna. The ‘win–win’ argument for greening proposed by these authors.

Pricing in many ways is the root of the green marketing challenge. If the external social and environmental costs of production were reflected in the prices that customers pay, then there would be considerable incentives for manufacturers to reduce those costs and become more sustainable. Companies looking for to absorb those costs and pass them onto the consumer are vulnerable both to accusations of exploiting customer interest in green pricing and to undercutting from competitors still effectively subsidized by the environment. Ken Peattie and Martin Charter (2003)

**Green Logistics**

Ken Peattie and Martin Charter (2003) identified that the environmental impact of many products is strongly determined by the fuel consumed and materials used in transporting them to customers. The implementation of ‘carbon taxes’ on fossil fuel consumption would have a significant impact on the economics of distribution. This would encourage industries to replace global production and distribution chains with global networks of operations producing and distributing on a more regional or local scale.

**3.12 Green Marketing Benefits:**

In the above section we have discussed philosophical, management and practical challenge faced by firms, However if firm will make use of appropriate green
marketing strategies they can acquire numerous benefits, which have discussed as follows.

Robert Dashlstrom (2011) highlights that green marketing has a positive influence on multiple participants in economy. The environment, developing economies, consumers, corporate strategy, the product production process, and supply chain benefit from green marketing.

Environmental Benefits: GM initiatives focused on product development strategies reduce the need to rely on these forms on energy. For example, new appliances are designed with fuel efficiencies that markedly reduce energy consumption. Green marketing reduces air pollution in multiple ways. For example New York Mayor Bloomberg has called the complete replacement of taxis with hybrid car with 2012. These hybrid will reduce New York city carbon dioxide emissions by 215,000 tons while doubling cab gas mileage. This efficiency means fewer emission and lower air pollution.

Consumer benefits: In several ways consumer will get benefits from green marketing. These benefits often influence consumer decision making, (J. Ottman, 1997) has highlighted various benefits of adopting green marketing as follows

Environmental concerns present both challenges and opportunities. Enlightened Chief Executive Officers have taken advantage of opportunities by using green marketing strategies which has resulted in various benefits

Profitability: Green based products create less waste, use fewer raw materials, and saves energy.

Competitive Advantage: Companies that are first to put their environmental innovation on the shelve enjoys competitive advantage.

Increased Market Share: Brand loyalty is near all time low. According to a poll conducted by the Porter Novelli, consumers viewed company’s record on the environment as an important determinant of their purchase decision.

Better Products: Green based products are higher in quality in terms of energy saving, performance, convenience, safety, etc.

Personal Rewards: Green products offer consumers with the benefits of healthier, more fulfilled lives and power to make the world a better place.

Better Physical Environment: Well co-ordinated use of all green marketing strategies will result in better physical environment in terms of reduced air and water pollution,
waste energy depletion, global warming, deforestation, depletion of natural resources, and rate of landfills.

Sustainable Development: meeting the needs of the present without compromising the ability of future generations to meet their needs.

**Conclusion And Research Gap**

Going Green has philosophical, management and some practical challenges. Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change, green house gases, ozone layer depletion etc. 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. Mendleson, Nicola; Michael Jay Polonsky (1995) and McDaniel, Stephen W.; David H. Rylander (1993).

A gap has been observed that firms believe that green marketing can be an endeavour for sustainable growth. Many studies on these topics have been performed in developed countries, and there is a need to perform such studies in the context of developing countries that specific to automobile industry. Need for studying holistic green marketing is essential. Impact of green marketing on organizational brand image, competitive advantage, profitability need to be studied in detail.

The study mainly talks about green marketing practices in industries, need for green innovations, challenges faced by the automobile industries. It also talks about the role of the government and the NGO efforts in implementing green practices in the automobile industry.

In the general context, it also throws a light on the green marketing awareness, challenges, role of government, pertains to automobile sector, how to reconceptualize marketing environment, various reasons for implementation green marketing have been discussed. Classification of firms based on environmentalism, green consumer segmentation, various green marketing strategies. It also highlights an association of green marketing, sustainable development and competitive advantage. The green marketing benefita and the technological aspects are covered as well. Various
challenges like Going green- the philosophical challenge, management challenge, Practical challenge –Greening the marketing mix are also faced by the industry.

Hence a research gap has been observed where an increasing focus on green marketing practices in automobile industries in Indian context and particular to Pune needs to be studied in detail.
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