



Practice of Green Marketing in Electronic Industry

CHANDNI ASWAL

Assistant Professor

Shaheed Bhagat Singh College, Delhi University, India
chandniaswl@gmail.com

AARTI KADYAN

Assistant Professor

Shaheed Bhagat Singh College, Delhi University, India
aartikadyansbsc@gmail.com.

Abstract:

Eco-marketing, or green marketing, is a trend in business where companies create an image of themselves as an environmentally friendly organization. Nowadays people and nations have become more concerned about protection of the environment and a new format of business has emerged as Green Business. Green marketing is a tool used by many companies. Eco-friendly products and processes providing customer value, while using less resources and resulting in reduced environmental impacts, are therefore of great importance. This paper analysis the impact of green marketing on consumers and companies in India particularly in the electronics industry using comprehensive literature review and also examines the present trends of green marketing in India. This research has observed that customers want to associate themselves with companies and products that are Eco-friendly and they are willing to pay more for an Eco-friendly product. The paper also explores the opportunities and challenges in green marketing.

Keywords: *Environment Safety, Green Marketing, Sustainable Development*

1. Introduction

Green marketing has evolved over a period of time. It came into existence in late 1980s and early 1990s. Green marketing refers to selling products or rendering services based on environmental benefits. Global warming, deforestation, ozone depletion, water pollution, air pollution are increasingly becoming matters of public debate. Therefore Government authorities have become so concerned about green marketing activities. In fact consumers are also willing to pay more for green products.

Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer and the environment during manufacturing, use or disposal of it. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing is a broader term it includes a wider range of activities, including product alteration, modification to the manufacturing process, packaging changes and modifying advertising media. It is also known by various names such as Environmental Marketing and Ecological Marketing. It also refers to holistic marketing concept wherein the production, consumption and disposal of products and services are managed keeping in mind their effect on environment. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services.

2. Objectives Study

This paper will attempt to:

1. Introduce the terms and concepts of green marketing
2. Discuss the initiatives taken by the companies in the electronics sector, towards green marketing
3. Explore the challenges and opportunities businesses have with green marketing.

3. Literature Review

Green marketing is the process of developing products and services and promoting them to satisfy the customers who prefer products of good quality, performance and convenience at affordable cost, which at the same time does not have any harmful impact on the environment. Companies all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Various studies indicate that most of the consumers are becoming more concerned about environment-friendly products. Most of them feel that environment-friendly products are safe to use. As a result, green marketing has emerged, which aims at marketing of environment friendly products and services. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits. **Oyewole, P. (2001)**. In his paper presents a theoretical framework about green marketing, environmental justice, and industrial ecology. The research suggests for greater awareness of environmental justice in practicing green marketing and arouses the interest of customers towards Eco-friendly products and their readiness to bear the costs associated with it. **Sanjay K. Jain & Gurmeet Kaur (2004)** in his study environmentalism has emerged as a worldwide development. Companies have started responding to environmental situation by exercising green marketing strategies. Consumer has played a indispensable role in making business organizations green marketing oriented. The paper analyses the effect of green marketing on consumer's attitudes and their behavior in India. **Brahma, M. & Dande, R. (2008)**, The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$ 300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

4. Green Marketing and Sustainable Development

According to the World Commission on Environmental Development (1978), Sustainable Development is "meeting the needs of the present without compromising the ability of the future generations to meet their own needs". The common message throughout this strategy of sustainable development is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy- efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.



5. Some Cases

5.1 Philips Eco Vision

Phillips has made a significant contribution in green marketing. In 2007 Royal Philips Electronics launched “EcoVision4” program. In 2012, sales of Eco-friendly products increased to EUR 11,238 million, contributing significantly to the total revenue stream. As a percentage of the Group total, Green Product sales rose to 45%, up from 39% in 2011, and on track to reach the new target of 50% in 2015. They invested some EUR 569 million in Green Innovation in 2012 in order to ensure their green channel remains well stocked. Company also launched 91 new Green Products in the market. In addition Philips focus on improving the energy efficiency of its products and operations, Philips announced new voluntary recycling initiatives in India, Brazil, Argentina and China. Through their eco design process, they offer products that help to reduce costs, energy consumption and CO₂ emissions. Philips Green logo shows that the products have a significantly better environmental performance than their competitors. Data suggests that the green marketing campaigns launched by Philips has had a positive impact on the consumers as the sales have substantially increased after the launch of its EcoVision4 program. Consumer’s attitude towards their product is concluded to be good and they are even ready to pay more for it.

5.2 Panasonic Green Innovations

Panasonic has launched series of products made with recycled resources, as it continues to expand efforts aimed at becoming the No.1 Green Innovation Company in the Electronics Industry. The refrigerator's glass wool insulation is made with approximately 90% recycled glass from used CRT TVs, using Panasonic unique recycling technology. In order to make daily life more comfortable and eco-friendly, Panasonic provides new appliances by using intelligent sensors. An earth-tone color is uniformly used for the new line and Earth beige is used on the exterior, with matching colors used for the control panels of all its products. As people have become more aware about the environmental aspects, they consider recycled content as an important factor in their purchasing decisions, according to a survey conducted by Panasonic. The Company launched a series of products including a refrigerator, a rice cooker, a washer/dryer and a vacuum cleaner, which incorporates recycled resin and vacuum insulation made from recycled glass. Panasonic AVC Networks Company won a silver prize at the “Eco Mark Award 2013” organized by the Japan Environment Association (JEA). The AVC Networks Company has won this award 2 years in a row; At “Eco Mark Award 2012,” the company won the “Product of the Year” award for its Blu-ray Disc Recorder, “DIGA” (DMR-BRT230 and 5 other models, *1). In order to offer better products to its customers, the Company focuses on the following three environmental policies:

- maximizing the energy-saving performance of its products
- promoting the 3Rs (reduce, reuse, recycle)
- Reducing the use of chemical substances that have significant adverse environmental impact.

Panasonic has assured that it will continue to save energy and resources, recycle materials and protect the global environment, which enhancing the core performance of its products.

5.3 LG's Greenovation

Green Marketing has become one of LG's Corporate Social Responsibilities. Green Marketing has being employed by LG Electronics Company in the development and marketing of products to minimize negative effects on the environment. LGE's green vision is to provide values that enhance the quality of life for its consumers and create a healthier and cleaner environment. LGE's green management activities include: the reduction of greenhouse gas emissions throughout the entire product lifecycle, the "Green Program Plus" which promotes shared growth with its suppliers and green businesses to create a future growth engine. These activities are based on LGE's core values of green and innovation which are represented by the

"Greenovation". In April 2010, LG Group announced the launch of its green management strategy, "Green 2020", to focus its capabilities on sustainable management for green growth while taking a proactive response to climate change. "Green 2020" is a three-pronged strategy which is: (1) creating a green workplace, (2) expanding greener products and (3) strengthening green businesses. LGE was also able to provide opportunities for consumers to experience its products and have a chance to listen to their voices for future product development LGE is committed to creating innovative values that contribute to environmental protection through Greenovation activities.

5.4 Videocon Green Initiative

Videocon also contribute towards green marketing. The new logo was revealed by Shahrukh Khan at LA(USA). They said "The new identity and logo of Videocon is based on the consumer-centric approach of the brand and its positioning to be closer to the consumers heart - both in terms of its values and philosophies, as well as its servicing aspects. The brand make-over is aimed at Youth-minded consumers who have a new global mind-set. The Fluid lava reflects the brand idea, 'Experience change'. The color palette has been chosen to reflect the philosophy of Videocon Group i.e. the color green is symbolic to the company's ecology drive." Videocon and Panasonic also use the Bollywood extravaganza IIFA awards platform to promote their eco-friendly products. The theme of the IIFA award is-'Go Green' which provides a platform to promote products which are energy conserving and environment friendly. Videocon Group has upgrading their R&D centers to "green" technology to save energy and emit less harmful substance. The company also celebrates the Vanamohatsava (Annual Festival for Tree Plantation) and World environment day in the organization to increase mass awareness among the employees. The company has taken the initiative to spread awareness among consumers regarding e-waste management and its handling and disposal through social sites, print media, and advertising campaign.

5.5 Sony Eco Innovation

Sony is using their technology in an innovative way to address environmental problems. Sony has become the latest major manufacturer to join O2's campaign to rid the market of unnecessary mobile phone chargers. Sony has joined manufacturers HTC and Nokia which have already signed up to the O2 initiative, called 'Charger out of the box'. The campaign aims to take all chargers out of new phone boxes by 2015, as they are a gigantic environmental waste issue for the industry. For its continued commitment to eco-friendly projects and Eco initiatives, Sony wins the Greenest Company for 2009 by the Environmental Graffiti website in its annual awards. The award recognized Sony especially for creative green projects such as the Forest Guard Eco initiative that involved Sony Engineers working with a group of children to develop their idea for preventing wildfires.

6. Challenges in Green Marketing

There is a lack of standardization to authenticate claims of green campaigns. So there is a great need to establish standardization for labeling and licensing. Marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices

1. The firms must ensure that green marketing activities are not misleading to consumers and they should follow regulations or laws while dealing with green marketing.
2. Green marketing is still a new concept for the masses. The Indian consumer needs to be educated and made aware of the environmental threats.
3. The Indian companies need to view the environment as a major concern; they need to look at the long-term benefits from the green movement. It will require a lot of patience and there

will be no immediate results. They should not expect huge benefits for implementing Green Marketing immediately.

4. Green marketing is focusing on customer benefits. If the green products are priced very high then it will lose its market acceptability.

7. Opportunities in Green Marketing

1. In India, around 25 percent of the consumers prefer eco- friendly products as they are becoming more concerned and aware about the environment. Companies have a competitive advantage over other companies by developing new and improved products and services keeping in mind their adverse impact on the environment.
2. Many Organizations have realized that they are also a part of the society and so they have a moral obligation towards society. They should act more socially responsible towards environment and the society.
3. Governments want to "protect" consumers and society. The Indian government has developed a framework of legislations and policies to reduce the production of goods having harmful impact on the environment and the consumers.
4. Reduction of harmful wastes may lead to cost reduction and substantially increase profits in the long run.
5. Nowadays, firm's want to maintain its competitive position in the environmental marketing area. Therefore firms are adopting and promoting various green marketing strategies in order to modify the behavior of consumers.

8. Conclusion

The environmental problems in India are growing very fast. Therefore it is essential to implement green marketing in business practices. Green marketing makes drastic change in the business and saves the world from pollution. Companies should create awareness among the consumers and society about the benefits of green marketing. Green marketing also acts as a platform to attract new customers. The impact of green marketing on the consumers is found to be positive; they are ready to pay more for eco-friendly products and also become environmental concern. It is the responsibility of marketer to understand the challenges that exist while adopting green marketing and develop appropriate strategies to overcome those challenges. In India electronic sector makes a significant contribution towards the green marketing and there is a vast potential exists for eco-friendly products in electronic sector, provided the company understands the buying behavior of the consumers and adopts new innovative technologies that have less harmful impact on the environment.

References

1. Brahma, M. & Dande, R. (2008). The Economic Times, Mumbai.
2. Jain, Sanjay K. & Gurmeet kaur (2004). Green Marketing: An Attitudinal and Behavioural Analysis of Indian Consumers, Global Business Review, Vol.5 no. 2 187-205.
3. Kotler, Philip. Marketing Management – The Millennium Edition Prentice Hall of India Private Limited, New Delhi.
4. Oyewole, P. (2001). Social Costs of Environmental Justice Associated with the Practice of Green Marketing. Journal of Business Ethics, 29(3), Feb, pp. 239-252.
5. Sarwade, W.K. & Mr. Gaikwad S.B., (2013-13). A Study Green Marketing Initiatives by Corporate Sector, Excel Journal of Engineering Technology and Management Science, Vol. I No. 3 December – January. (Online) ISSN 2277-3339
6. <http://www.philips.com/about/sustainability/ourenvironmentalapproach/greenproducts/index.page>
7. <http://www.nittrbhopal.org/journal/volume3/Pavan%20%20Mishra%20and%20Ms.%20Payal%20Sharma.pdf>