



Green marketing: A new lifeline for the MNC's

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Abstract

We invoke all supporting earth sitting at ease or rising up, standing or going on our way with our right foot and with our left we will not reel upon the earth's thus began the journey of the civilized man of the yore on the planet earth. But somewhere on the way, he somehow lost that bhaya and bhakti and instead, arrogated to him the right to slit opens the earth, despite its known adverse impact on the other flora and fauna, for mining her hidden treasure. The study clearly depicts that the companies who emerges as the clear winner are those who are concerned for their planet as they believe in the philosophy that 'green and steady wins the race.'

Keywords:- *Environmental sustainability, Competitive advantage, Greener balance sheets*

Introduction

Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives.

The issue of green marketing presents both a problem and an opportunity to the marketer. This presents a problem to the marketer because so much attention has been given to environmental issues that if a company does not properly get "involved" it will lose out on many business opportunities. In addition, the company receives a poor company image from consumers by failure to be environmentally involved.

In the past few years, some companies have been boycotted by consumers and various environmental organizations. Boycotts can be detrimental to a company's image, especially if the boycott receives media attention.

Companies that are not participating in green marketing have received negative media attention and this further degrades the company's image. Exxon's oil spill is a good example of a company that suffered as a result of being environmentally irresponsible. Even though Exxon made all possible efforts to "clean up" its mess, its reputation suffered as did its pocketbook. Exxon had to spend billions of dollars in an effort to regain public approval, and even this tremendous effort did not reinstate full public approval. Between the media and active environmental organizations, Exxon received so much negative attention that even today the company is still trying to overcome the consequences of its mistake (Oil spill Case Histories, 1976-1991).

Now a days, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

"The belief that companies must choose between doing good and being profitable is outdated; they

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increasingly understand that their responsibility to investors means being accountable to the society and environment in which they operate. Today being a good corporate citizen requires more than business as usual – it requires investments in society and the environment (Clinton, 2009). We are all shareholders in our children's future and the future of our planet, and by working together we can build an economy in which everyone can benefit from the free markets. By investing in communities growth and welfare, a corporation empowers tomorrow's customers and creates a strong brand with a more loyal following. It can thereby weather economic downturns, ensure greater long term profits, and attract more investors. To increase sales of green products, companies must make sure that consumers understand the returns—both financial and environmental—on their investment. When consumers find it easy to track their savings from using a product, they are more willing to try new green products—especially those that cost more. They also feel more confident about their eco-friendly purchases when they understand how the products help the environment.

This does not mean that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases, firms have mislead consumers in an attempt to gain market share. In many other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

Many 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 this situation 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.

Efforts

There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy directly ties itself to the overall corporate culture, rather than simply being a competitive tool (The Body soap beauty, 2008).

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 (Glick, 2008). 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 (Glick, 2008).

The world's largest and finest handset mobile company Nokia is ready to share its concern for the environment awareness programme. The company is all ready to expand its worldwide phone recycling initiatives to the Indian subcontinent as part of Nokia's integrated strategy of innovation in environment sustainability (Andrew, 2009). The company is barking on the print media, outdoor ads and radio spots and station vans in residential vans to make people aware about the benefits of the recycled handsets. The company has put special bins in retail stores and trains the employees to inform customers about their contribution in the green initiative programme.

A pilot programme in India collected some 68000 pieces of equipments in 45 days and now the plan is being rolled out to cover more than 15 cities. The company is also distributing small appreciation gifts like mugs, bags, t-shirts to change the behavior of the customer to persuade him to get the old handsets out



of the drawer into the recycle bins. For every recycled phone, Nokia plants a tree on behalf of the customer. It is well said that good beginning is half done. Till this write up, the company has already planted 3000 trees with the support of NGO's. The company even informed the customers about the location of the trees through the text messages. These greener efforts by Nokia will definitely helps the company to enhance their image in the eyes of the Indian customer to make the next purchase from the basket of Nokia (Andrew, 2009).

In 2005, GE launched "Ecomagination," an initiative with the broad objective of meeting environmental challenges such as the need for clean water, renewable energy, and reduced emissions. Ecomagination covered GE's efforts to enhance its investment in sustainable technologies and increase its revenues from sustainable products such as lower-emission aircraft engines, efficient lighting, wind turbines, and water purification technology. (George and Regani, 2007) As part of the Ecomagination campaign, GE also undertook efforts to make its own operations more environmentally sustainable. One of the results of the program is that GE successfully kept its greenhouse gas emissions flat even as the revenues took a good leap (George and Ragni, 2007). Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. 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.

Companies use Green Marketing not only to increase consumer approval, but also to cut costs. McDonald's used recyclable materials for wrappers and reduced its environmental waste by 60 percent; their 'give a tree away' day led the way for other fast foods companies to follow suit. All of McDonald's napkins

and tray liners in the restaurants are made from recycled paper, as are the carry-out drink trays and even the stationery used at the headquarters. McDonald's saved one million pounds of waste per year by making its drinking straws twenty percent lighter,. Besides using Green Marketing in its own products, McDonald's buys recycled materials for remodeling and building its restaurants. McDonald's also challenges its suppliers to supply and use recycled products and materials. The effective use of Green Marketing has made the public aware that McDonald's Corporation is an environmentally concerned company and this has generated not only public consumer approval but additional sales as well (Ottoman *et al.*, 1999).

The success of compact fluorescent lightbulbs (CFLs) rightly proves that the green energy saver product can do wonders if taken at the right time and in the right attitude. In 2005, sales of CFLs accounted for less than 5 percent of the total lightbulb market. But only two years later, in 2007—the year that the public woke up to the looming threat of climate change—CFLs captured an estimated 20 percent of the lightbulb market, according to the U.S. (Bonini and Oppenheim, 2008) Environmental Protection Agency (EPA). Companies that sell CFLs, like General Electric Co. (GE) have increased their revenues, enhanced their brands, and strengthened their competitive positions in the market.

Conclusion

The study clearly depicts that the green life line emerges as the clear winner for the companies who are genuinely interested in transforming this planet from the industrial to the greener one. The future lies in investing in the greener efforts which could reap better results in terms of fatter and greener balance sheets and to make this planet a better place to live in for the golden days ahead.

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