

Green Marketing Mix: Rethinking Competitive Advantage during Climate Change

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Abstract- The research shows that companies are redefining their marketing mix in the context of green to position their products in the changing scenario. The ideology of consumption, living to consume rather than consuming to live, prevalent in the mainstay of marketing and society has affected the marketing strategy. Thus, the global climatic conditions have led to the changes in production, marketing, and consumption behaviour in the form of aggressive conservation, recycling, and green product use.

Keywords- Climate Change, Green Marketing, Marketing Mix

I. INTRODUCTION

Recent studies show certain facts; those prove immense changes in the global climatic conditions. One of the major changes is global warming. Global warming, a significant part of climate change is mainly a outcome of accumulation of greenhouse gases in the environment. These gases are resultant of the unsustainable emission of the industrial countries. It is the dangerous threat for the survival of the human being. Earth's average surface temperature has increased by 0.74° C between 1906 and 2005. This change is leading to lowered agriculture output, damaging droughts, floods and storms and increase in the sea level. In the present scenario, Climate change is not only the matter of environmental concern it is also becoming one of the biggest challenges for the development of the world.

Developing countries have only recently set out on the path of industrialization. That is the reason why their per capita emissions are still comparatively low. An analysis of India's emissions shows that its per capita emission of carbon is one fourth of the global average. Even the top 10 percent of urban population emits well below the global average per capita emission. But it does not mean that we are neither responsible nor we should concern for the changing climatic condition. Protection of environment is the primary responsibility of each and every individual.

II. Literature Review

The green awareness began in between of the 1960s and early 1970s with increasing concern about the negative impact of consumption pattern, impact of economic and population growth on the environment (Cohen, 2001). But, a serious concern of green marketing appeared in the late 1980s with a rapid increase in the consumer awareness for the green products. The increasing awareness in environment friendly products, their willingness to pay for these products, increased concern for these products which encouraged companies to show interest in the green marketing (Peattie and Crane, 2005). Green marketing practices generally promoted as the genuine concern for the nature of inputs as well as outputs waste reduction and the impact of these upon the environment and society as a whole both in present & future conditions (Walker and Hanson, 1998). According to American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. It includes various activities like waste reduction, changes in the product, and modifications in the communication mix.

Green marketing mainly focuses on four issues. These issues are: first, importance of green marketing; second, impact of green marketing on firms' competitiveness and performance; third,

recognition by consumer; and fourth, improving effectiveness of green marketing. During 1990s, the concern for environment increased and resulted in to increasing challenges for the companies (Johri and Sahasakmontri, 1998).

III. CLASSIFICATION OF COMPANIES

According to Ginsberg and Bloom, Companies can be classified on the basis of utilisation of these elements companies can classify in four categories:

1. **Lean Green-** These companies adopt the green practices but they do not focus to publicise these initiatives. They implement the environment friendly practices just for the cost reduction & improve the efficiency.
2. **Defensive Green-** This kind of marketer use green marketing as a precaution to avoid the crisis situation or to counter the competition. They use green marketing to create the positive brand image. Environment initiatives may be sincere but temporary just to differentiate from the competitors.
3. **Shaded Green-** The companies those adopt shaded green strategy invest in long-term, environmentally friendly processes that require a significant financial and nonfinancial dedication. They differentiate their product on the basis of greenness.
4. **Extreme Green-** Extreme green adopt green marketing mix in the holistic manner. They integrate environmental concern in overall marketing strategy. The greenness is the main driving force for the companies. Concept of life cycle assessment, total environmental quality management, waste reduction, and environment friendly promotion deeply embedded in the company philosophy. They serve the niche segment of the market.

IV. COMPARATIVE ANALYSIS OF MARKETING MIX

The comparative analysis of the different element of the marketing mix is given in the tables below. The table below is showing the ratio of advertisement expenses to sales for the FMCG companies and ratio in the last five year for the FMCG companies. Amongst all Ruchi Soya Industries limited is showing the uniformity in the ratio values. The trend remain same for the last five year i.e. 0.001. It means that company’s expenditure for the advertisement is very low in comparison of sales. Apart from that ratio is almost increasing for every industry .The reason for this growth is simply to maintain the market share. It is necessary to educate the consumer about the various initiatives taken by the companies to create a positive brand image and to earn the consumer’s loyalty.

TABLE 1
MARKETING MIX COMPARISON
OF COMPANIES FOR 2010

Company Name	Annual Sales in Crores	Adv/sales ratio	Dist/Adv ratio	Distribution Expense	Advertisement
Dabur India	2892.42	0.134	0.136	52.88	0.134
Glaxo smithkline	2006.23	0.144	0.298	89.95	0.144
Godrej	1301.50	0.078	0.608	61.83	0.078
HUL	10462.34	0.129	0.363	867.62	0.129
I T C	28399.63	0.019	1.182	608.17	0.019
Marico	2031.9	0.109	0.407	90.16	0.109
Nestle India	5232.50	0.051	0.899	240.37	0.051
Nirma	3329.68	0.016	3.137	170.49	0.016
P&G	775.67	0.115	0.477	42.72	0.115
Ruchi Soya	13508.45	0.001	19.075	201.05	0.001
Tata Global	1705.62	0.074	0.272	34.67	0.074
United Spirits	9205.97	0.051	0.229	108.29	0.051

Companies have adopted various initiatives like adoption of automation to track the stock record, transportation system to reduce the fuel and energy consumption in the distribution system resulted in the reduction in the distribution expenses. The table below is showing the distribution to sales ratio of the industry in the study period.

Above table shows that the ratio of the distribution expenses to sales of the companies are almost constant except few ones. Companies are investing on the research and development to explore the new

ways to make their distribution channel greener to reduce the impact of the industrial activities on the climatic condition of the planet.

V. CONCLUSION

Significant change in the climatic condition results in a threat for the survival of the society. This threat is shifting the buyer’s consumption pattern from unsustainable to sustainable. This shift is changing the buying behaviour of the individual because their need is changing from environmental harmful products to environmental friendly products. They are more concerned about the environment protection. This transformation in consumer’s behaviour is compelling corporate to think about the harmful impact of their activities on the natural environment of the world. The rapid increase for the environment concern in last two decades is stressing companies to prove the change to ensure the sustainable growth of the society. Organizations are now aware with the fact that without adopting green in the core of their strategy they cannot survive in the present competitive era.

Indian FMCG companies are also adopting „green“ to retain their image in the market. The companies are involved in various activities to show their concern for environment as well as society. Companies like HUL, ITC started to produce Sustainability report of the companies to achieve benefit and to develop a positive brand image it is required that benefit should be visible to the consumer. Companies are trying different ways to get benefit from their green efforts. They are redefining their marketing mix by introduction of green products and processes.

But at the same time it is necessary for the companies to understand that Green marketing should not overlook the economic aspect of marketing. Customer is ready to pay the eco-premium but they have to enhance the performance of their product

and focus on the retention of the customer. Green Marketing is still in the stage of childhood in the Indian companies. The lots of opportunities are available in Indian market. Green marketing helps in the effective outcomes like cost cutting, employee satisfaction, waste minimisation, society welfare for the companies as well for society also. Only thing required is the determination and commitment from the all the stakeholders of the companies. It is the right time to adopt the concept of sustainable development in the marketing mix of the companies and integrate them to save the planet from the upcoming risk.

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