

Green Marketing Initiatives in Private Sector Industry: A Comparative Study of FMCG companies on Corporate Challenges and Opportunities

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Abstract:

The concept green marketing is evolving slowly and steadily in India. Many companies large or small both on public and private sector adopting concept into their manufacturing and marketing strategies. Now, what is green marketing? It is defined as 'Green marketing is the marketing of environmentally friendly products and services. It is becoming more popular as more people become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet' [1]. Green marketing is not only environmental friendly, it also supports sustainable development in India. The current research aims at examining the role of corporate communication in creating awareness among public on green marketing initiatives private sector companies.

Keywords: Green marketing; communication strategies; creating awareness; consumers

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Introduction

The concept green marketing is evolving slowly and steadily in India. Many companies large or small both on public and private sector adopting concept into their manufacturing and marketing strategies. Now, what is green marketing? It is defined as 'Green marketing is the marketing of environmentally friendly products and services. It is becoming more popular as more people become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet' [1]. Green marketing is not only environmental friendly, it also supports sustainable development in India.

Green marketing is typically practiced by companies that are committed to sustainable development and corporate social responsibility. More organizations are making an effort to implement sustainable business practices as they recognize that in doing so they can make their products more attractive to consumers and also reduce expenses, including packaging, transportation, energy/water usage, etc. Businesses are increasingly discovering that demonstrating a high level of social responsibility can increase brand loyalty among socially conscious consumers.

With India making rapid progress in the field of industrialization, concerns have also been made by various sections of environmentalists regarding the repercussions on the environment. The companies themselves are now more aware about the ways in which their factories often affect the ecosystem and have taken a greener path to success.

Companies both national and international have taken up green initiatives and have adopted them as part of their product production, marketing and even green HR management. Some of the major international companies like HP, Samsung, Haier, and Indian companies like TAT's, ONGC and ITC. These companies value the green initiatives taken by the government and contribute towards environmental protection.

LG which has been a pioneer in electronic goods manufacturing, has launched LED based monitors which consume much less energy and do effect the environment. HCL is another brand

that is trying to introduce eco- friendly products in the market and it has recently launched the HCL ME 40 notebooks. These notebooks do not use any polyvinyl chloride (PVC) material or other harmful chemicals. Eco branding is a part of Haier's new green initiative and they have launched the Eco Life Series. TCS has a globally recognized Sustainability practice and this has mainly happened due their initiative of creating technology for agricultural and community benefits. ONGC, India's largest oil producer is all set to change the way with the invention of green crematoriums. This initiative serve as a perfect replacement for the traditional methods of pollution control that emit so much smoke and uses up excess oxygen.

Review of related studies

Sachin and Preeti (2011), in their study on 'Green Consumption An Empirical Study of Consumers Attitudes and Perception regarding Eco-Friendly FMCG Products, with special reference to Delhi and NCR Region' state that 'Though consumers are willing to purchase green products, many business organizations still in behind the need of the eco-friendly society'. They further emphasise that the concept of green marketing should be built in the product strategy and the companies should develop products addressing the issue and ensure that products meet quality expectations of the consumers [2].

Kishore and Anand (2012) in the study on An Investigation of Green Practices of Selected FMCG Companies in India suggests that the FMCG companies should incorporate green practice in the product development. The findings of the study have specific suggestions like • Reducing water usage; Saving paper; Reducing carbon emissions; Using alternate energy sources for manufacturing; Saving trees; Elimination of plastic usage in packaging [3].

Anirban (2012) in the study Green Marketing and Sustainable Development- Challenges and Opportunities emphasises that 'Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally "responsible" fashion' [4].

Jaya Tiwari (2012) in the study on Green marketing in India: An Overview- makes a strong suggestion relating global warming and the need for green marketing. Jaya states that 'With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy efficient lamps and other electrical goods' [5].

Ravindra and Pradeep (2008) in their study Consumer attitude towards green marketing: an exploratory study suggests that consumers have a strong positive attitude towards Green Marketing; consumers are more aware of environmental issues; and "Companies which can establish themselves with green image will have distinctive advantage in the market place [6].

Nagaraju and Thejaswini (2016) in the study on FMCG companies titled 'A Study on Consumer Attitude towards Eco-Friendly FMCG Products With Reference To Hubli City in Karnataka' found that 'Majority of the consumers are aware of the Eco-friendly FMCG products and are having a positive attitude towards Eco-friendly FMCG products; and buy eco-friendly products for health purpose [7].

The current research paper aims at examining the role of corporate communication in creating awareness among public on green marketing initiatives private sector companies.

Objectives:

- To examine the communication strategies adopted by corporate communication in projecting the green marketing initiatives in private sector companies
- To study the role of corporate communication in creating awareness among consumers on green marketing.

Methodology

Keeping the objectives in view, four FMCG companies, two Indian brands and two international brands were selected for the study.

The FMCG companies selected were:

- **Asian Paints** – International brand
- **Hindustan Unilever Limited (HUL)** – Former Unilever an international brand
- **ITC** – An Indian conglomerate
- **Himalaya** – An Indian multi-product brand

The companies selected are manufacturers of FMCG products. Data on green marketing initiatives was collected from the green initiative and CSR reports uploaded on the company's websites. A comparison was done on the green initiatives of each of the selected companies. The communication strategies employed and the role of corporate communication in creating awareness among public about the green marketing initiatives are the hall mark of the research paper.

Research findings

Asian Paints

Asian Paints Limited is an Indian multinational paint company manufacturing, selling and distribution of paints, coatings, products related to home decor, bath fittings and providing of related services. Asian Paints started in 1942 is a Mumbai based company with its branches all over India [8].

The companies stated objective is to go truly green and have been steadfast in manufacturing 'Green Products' which are environment friendly. The company states that "Amidst the ever-changing landscape, one thing that has remained constant, is the steadfast commitment to being truly Green. We have been making rapid strides here, and as a leader in the paint industry would like to offer Best-In-Class, truly Green products." [9] Asian Paints has developed this green policy and built into its manufacturing of products. The company now provides 'Lead & Heavy Metal Free Guarantee' in all its products. The company aims at providing with Green Assure - Our promise of a Beautiful Home that conforms to true Green standards. Asian Paints has developed its green initiative based on a commitment – 'Green Assure from Asian Paints is more than just low VOC' (Volatile Organic Compound).

Most of its products are certified under the leadership standard for paints, the Green Seal™ GS-11 Standard. These products certified are formulated without carcinogens, heavy metals and comply with VOC limits specified in the GS-11 Standard. GS-11 certified paints also use minimized/recycled packaging and are tested for performance. These products are far more comprehensive and complete when it comes 'what is truly Green and what is not'. Green Seal is a non-profit organization whose leadership sustainability standard for paints, GS-11, has been used by companies around the world.

Asian Paints besides adhering to green standards has also developed ‘Corporate Citizenship’ [10]. Under its Corporate Social Responsibility programme.

CSR focus areas and initiatives

- Skills Development
- Healthcare/Hygiene and
- Water Management
- Education

The areas of CSR focus do indirectly support the green initiatives of the company in the form of educating the community about environmental benefits. One specific programme is on ‘**Water Management**’. Asian Paints has developed a programme on ‘**Water Conservation**’ in the dry land areas by adopting villages and providing the community the necessary knowledge and skill in water conservation. The idea being water conservation in dry land areas contributes immensely in the pursuit of water management.

In the Indian context, the problem of water scarcity is further complicated by population growth, urbanization and industrialization. Livelihoods, food security and local socio-economic development are linked to the availability of adequate amounts of clean water. It is the responsibility of the company to provide training to judiciously use and help conserve this precious resource ‘Water’. The company’s efforts include providing support and infrastructure at each stage of water conservation, water preservation, water re-charge and waste water treatment. Good water resource management also helps the company to self-support in its own dependency on water for the manufacturing of the products.

Asian Paints key interventions include:

- Awareness on water conservation in schools and nearby villages
- Installation of roof top rainwater harvesting and recharge systems in village communities and schools
- Promoting integrated watershed development in areas around manufacturing locations
- Water recharge through de-silting of lakes.

Hindustan Unilever Limited (HUL)

Hindustan Unilever Limited (HUL) former subsidiary of Unilever, a Dutch-British company, is an Indian FMCG company based in Mumbai. HUL’s products include foods, beverages, cleaning agents, personal care products and water purifiers among its various brands. HUL was established in 1933 as Lever Brothers and, in 1956, became known as Hindustan Lever Limited, as a result of a merger among Lever Brothers, Hindustan Vanaspati Mfg. Co. Ltd. and United Traders Ltd [11].

As a multi-brand company it has a range of FMCG products under one stable. The products range is very varied, food products from salt, spices to tea and soups; home care products from detergents to dish wash; personal care products include beauty solutions to toothpastes and a water purifier as well [12].

Being a multi-brand company with a number of products services for consumers, HUL demonstrates its concern for green initiatives under different programmes. The green marketing concept makes it socially responsible and the green initiatives are stated in vision statement. The vision stated is to ‘grow business whilst reducing the environmental impact of operations and

increase positive social impact'. HUL has embraced the Unilever Sustainable Living Plan (USLP), which forms the blueprint for sustainable growth.

The green initiatives are stated in the form of three goals.

Improving health and well-being, Reducing environmental impact, Enhancing livelihoods

The company promotes the idea of 'WASH' under its community health and hygiene programme as 'water, sanitation, and hygiene'. The company promotes personal care brands linking hand washing programme; improved sanitation and providing safe drinking water. The programmes advertised to spearhead behaviour change programmes across India. The company has specific programmes like 'Swachh Aadat, Swachh Bharat'; 'Global Hand washing Day'; Swachh Dooth; etc.

The company has policy of reducing water use in manufacturing and India Sustainability Initiatives: Greenhouse Gases. Besides, there are environment friendly programmes like 'Reduce packaging', 'Recycle packaging', 'Reuse packaging' and 'Reduce office waste' [13].

Indian Tobacco Company (ITC) Limited

ITC Limited or ITC is an Indian conglomerate with its headquarters in Kolkata, West Bengal.

Its diversified business includes five segments:

- Fast-Moving Consumer Goods (FMCG),
- Hotels,
- Paperboards & Packaging, and
- Agri Business &
- Information Technology.

ITC was started in 1910 and being a multi-brand company has varied and number of products under the FMCG production and manufacturing services. The company's FMCG product ranges consists of food items like aata, oil and noodles; personal care products like soaps, hair care to perfumes; and safety matches. It also includes stationary brands [14].

- Renewable Energy
- ITC: A Better Tomorrow for All
- Water conservation (water management)
- Waste recycling
- Energy conservation and renewable energy
- Greenhouse gases and carbon sequestration
- Afforestation
- Watershed development for soil moisture conservation
- Solid waste recycling = wellbeing without waste (WOW)

The green initiatives:

ITC commitment to the environment is manifest in its constant endeavour to enlarge its positive carbon footprint. This is achieved not only through enhanced energy conservation, but also through use of renewable energy sources and expanding carbon sequestration through its large scale Social and Farm Forestry Programmes.

Inspired by the opportunity to serve larger national priorities, ITC articulated in its vision nearly to make societal value creation the bedrock of its business strategy. The focus was on innovative strategies that would enable ITC to make a growing contribution to building

economic, environmental and social capital for the nation.

With water scarcity increasingly becoming an area of serious concern, ITC continues to focus on integrated water management including water conservation and harvesting initiatives at its units - while also working towards meeting the water security needs of all stakeholders at the local watershed level.

ITC has made significant progress in reducing specific waste generation through constant monitoring and improvement of efficiencies in material utilisation and also in achieving almost total recycling of waste generated in operations.

As a responsible corporate citizen, ITC has made a commitment to reduce dependence on energy from fossil fuels. Substantial progress has been made in enhancing the renewable energy portfolio. The greenhouse gas (GHG) inventory of ITC compiled as per the ISO 14064 standard, has been assured at the highest 'Reasonable Level' by an independent third party assurance provider, a significant achievement considering the scale and spread of the Company's operations.

A key plank in ITC's natural resource management strategy and a pioneering venture in wasteland development, ITC's Afforestation Programme brings multiple social and environmental benefits. It enables farmers who own wastelands and lands with low levels of productivity to grow commercially viable pulpwood plantations, thereby turning an unproductive asset into a profitable one.

The company recently introduced agro-forestry model, which combines tree growing with field crop production, ensures both food and wood security as well as helps in the conservation of precious natural resources.

Recognising the vital role played by water and irrigation in the rural economy, ITC's Soil & Moisture Conservation Programme supports watershed development projects in water-stressed areas, developing precious water resources for agriculture, rural communities and livestock. The focus is on building, reviving and maintaining water harvesting structures as well as implementing other measures which help to reverse land degradation, provide critical irrigation and increase agricultural productivity. Adopting a participatory approach, ITC works with NGOs to mobilise local communities to form water user groups.

ITC's Well-being Out of Waste (WOW) programme is a flagship initiative that seeks to address the crucial issue of post-consumer waste management in line with the Government's 'Swachh Bharat' programme, ensuring the proper segregation and recycling of waste in a manner that protects and restores the environment, ensures the cleanliness and hygiene of neighbourhoods and in the process creates sustainable livelihoods for a whole host of participants in the waste management process [15].

Himalaya Health Care

The Himalaya Drug Company is a company established in 1930 and is based in Bangalore, India. It produces health care products under the name Himalaya Herbal Healthcare whose products include ayurvedic ingredients. It is spread across locations in India, the United States, the Middle East, Asia and Europe [16].

The company manufactures a number of health care products under its FMCG brands. Himalaya Health Care specialises in herbal care and has a number of products related to health care. The product range consists of face-care, body-care, hand and foot care, baby care, health care, oral care and house care [17].

Though the company is extensively engaged in health care, under its CSR policy it has adopted a number of green initiatives and support green marketing. The company works with rural communities in association with NOG's to promote its green initiatives with the overall objective of supporting sustainable development [18].

The green initiatives of the company are [19]:

- Good earth farming
- A greener planet
- Journey to good health together
- Care for the environment (Harvesting a good rain)
- Care for community (Project Abhiyaan, Giving prison inmates a second chance)
- No waste in our backyard
- Trees for Life
- Partnership with Vitamin Angels

As a part of good earth farming the farmers are encouraged to use organic farming techniques for cultivating herbs, protect farm land from pests by natural, organic fertilizers like Neem oil and develop farmyard manures using vermicomposting to keep the soil rich in nutrients.

A greener planet programme envisages planting of trees to improve earth's green cover. Himalaya has partnered Society for Environment and Biodiversity Conservation (SEBC) to plant trees in the biodiversity-rich Western Ghats region of India.

A specific programme in 'Journey to good health together' Himalaya has partnered Aarohi, a non-profit organization, working in the remote, rural areas of Uttarakhand in North India, to promote community health. The partnership aims at improving maternal and child health in local villages.

Care for the environment is a programme aimed at harvesting rain water to recharge ground water levels. Since the year 2000, Himalaya has been harvesting Rainwater at Bengaluru campus to conserve water. A well-designed network of eight water wells and 59 recharge pits ensures that rainwater is collected effectively.

As a policy to conserve and recycle waste, Himalaya has developed a special in-house programme – 'No waste in our backyard'. In the past one decade the company has very well developed waste management system in which all types waste produced are segregated and handled carefully. The company has achieved a 90 percent efficiency in waste management at its Bangalore campus. Besides, Himalaya has succeeded 100 percent in management of liquid waste and scientific disposal of hazardous waste.

Discussion and Conclusion

The study clearly indicates that the FMCG companies studied have incorporated green marketing initiatives in its manufacturing of products and also have partnered with the outside community in extending green initiatives for a more greener and environmental friendly earth. Most of the green practices of the companies are part of corporate social responsibility (CSR) activities. Green initiatives being part of CSR, the corporate communication strategies are oriented towards educating the both the internal and external publics about the green policy, steps taken, and specific programmes developed and implemented. Tremendous efforts are being made by the companies towards sustainable development.

The companies have worked towards creating awareness among the members of the community on various aspects of sustainable development like Water Management, 'water, sanitation, and hygiene', Renewable Energy, Water conservation (water management), Waste recycling, Energy conservation and renewable energy, Greenhouse gases and carbon sequestration, Afforestation, Watershed development for soil moisture conservation and Solid waste recycling. These corporates have successfully instilled the idea of good earth farming, a greener planet, care for the environment, no waste in backyard and trees for Life. Not only the community is informed and educated in sustainable development and green initiatives, the companies has partnered with the local communities in implementing the green initiatives.

Irrespective of product being manufactured, the companies have incorporated the green initiatives in their production line as well. The idea of promoting the green product which environment friendly has been made a part of the company's vision document. A specific example that can be cited here is the commitment of Asian Paints completely withdraw the lead content in its products to promote a safe environment to its consumers in particular and the community by and large. On the other hand Hindustan Lever (HUL) has joined hands in promoting programmes like 'Swachh Aadat, Swachh Bharat'. Indian Tobacco Company (ITC) has made efforts in reducing carbon foot print by expanding carbon sequestration through its large scale Social and Farm Forestry Programmes. Himalaya Health Care strongly believes in a greener planet programme which envisages planting of trees to improve earth's green cover.

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