

Green Marketing: Solving Dual Purpose of Marketing and Corporate Social Responsibility

^{1*} *Salil Seth*, ² *M. S. Khan*

^{1,2} *School for Management Studies, Babasaheb Bhimrao Ambedkar University (A Central University), Lucknow, India*

Received 26 October 2014, Accepted 15 November 2014

ABSTRACT:

Corporate and social responsibility are continuously competing to share a common platform to address a new form of green consumerism that the eco-educated millennial generation can appreciate. Green marketing acts as bridge connecting the corporate, environment and consumers. Business organizations have begun to respond to social expectations of consumers by opting for holistic environmental stewardship. The conceptual paper aims at highlighting the manner in which green marketing is observed as a vital instrument for fulfilling corporate social responsibility and marketing interventions at the same time. At a time when firms are looking for innovative ways to fulfill their corporate social commitments, the concept of green marketing is imparting not just a social competitive edge but also assisting brand building. An exploratory cum descriptive research design is used to qualitatively substantiate the way in which green marketing is empowering the implementation of corporate social responsibility among firms. The paper holds promise for policy makers, environmental activists, consumers, marketers and HR professionals who should work in orchestration to help corporate and society fulfill their environmental duties.

Keywords: *Corporate social responsibility, Environmental duties, Environmental stewardship, Green consumerism, Green marketing*

INTRODUCTION

The objective of the paper is to conceptually analyze the way in which Green (Environmental) marketing is substantiating the Corporate Social Responsibility (CSR) dimensions of the firms and at the same time fulfilling its marketing objectives.

There exists a triangular association between organizations, society and the state. Business firms cannot continue as independent entities because the business forms a part of the society and every organization is dependent on its social environment for both survival and growth. Without social acceptance it is extremely tough

for any business firm to provide good quality products / services to their customer and cannot enjoy a palatable brand image. Green marketing is a blend of both ethics and corporate social responsibility as it helps businesses in becoming a socially responsible entity. It provides for eco-friendly products, improvement in working conditions and substantially contributes to the community and at the same time justifies the profit margins. Organizations need to reconsider and reevaluate if they are truly practicing green and socially responsible marketing or just gimmicking green marketing to justify CSR. The

*Corresponding Author, Email: salil100seth@gmail.com

various companies which were successfully advocating CSR and green marketing were doing so by either (i) saving the natural resources (ii) providing quality goods /services to their customer (iii) giving healthy working atmosphere to employees. This not only assists the organizations in earning a profit in terms of monetary worth but also gain reputation in a manner that it contributes to the society. Porter and van der Linde (1995) puts impetus on the environmental responsibility and its subsequent improvisation as a source of competitive advantage in today's dynamic economy. In their opinion, innovating to comply with regulations can bring offsets by (i) using inputs in a better way (ii) creating better products (iii) improving product yields.

If genuine environmental responsibility is considered as significant then sophistication of buttressing social responsibility and environmental issues into holistic marketing planning could be improved manifold and the level of strategic decisions get more meaning and relevance. Growing concern for environmental protection and eco-threats, as posed by the humanity, has translated social responsibility from just an abstract idea into a powerful conception. In contemporary times, corporate social responsibility has become an indispensable dimension of business vocabulary and is observed as a critical issue in management (Ubius and Alas, 2009). Eminent researchers like Piercy and Lane (2009), Jasinskas and Simanaviciene (2009) and Dagiliene (2010), base their outcomes and add that implementation of corporate social responsibility may assist organizations in creating competitive advantage, enhancing employee loyalty and employment, having positive influence on its reputation and marked enhancement of activity efficiency and sales volumes. In contrary, specific tools and methods that enable to reach positive results of the conception of corporate social responsibility are still in its infancy and there still exist barriers exist to effective implementation of CSR initiatives (Piercy and Lane, 2009).

Literature Review

In the increasingly eco-conscious marketplaces of this century, there is an observed increase in demand for ethical business processes and actions, described as 'ethicism'.

Consequently, immense pressure is piling up on the industry to better reinforce business ethics through novel public initiatives and laws. Krishnan and Balachandran (2010) claim that understanding of the relatedness between sustainable business growth and community care, is significant. Due to growing concern over environmental issues, the demand for both sustainable development and green marketing has gained tremendous momentum among the communities over the last few decades (Chen and Chang, 2012; Jhavar et al., 2012; Leonidou et al., 2013). Green marketing encompasses a wide range of activities, include (i) product modification (ii) changes in the production process via lean manufacturing (iii) packaging changes and resorting to green packaging (iv) modifying advertising. Responsibilities of the organizations are often segmented into social, economic, and environmental frames similar to the categories propounded in the popular concept of sustainable development (Peattie, 1995).

As per the World Business Council for Sustainable Development (WBCSD), CSR is defined as the business commitment to contribute to (i) sustainable economic development (ii) working with employees and their families (iii) connecting with the local community and society at large (WBCSD, 2000). A combination of green marketing and CSR refers to decision making linked to environmental stewardship, ethical values, stringent compliance with legal requirements and respect for communities and the environment in totality. CSR goes beyond the technical, legal and economic requirements of the company (Carrol, 1999). McDonagh and Prothero (1997) have stated that the topic of green issues following holistic principles has been integrated into the mainstream marketing literature. Sheth and Parvatiyar (1995) state that sustainable development can be attained only by proactive corporate marketing with the government actively intervening in between. Porter and van der Linde (1995) have stressed that environmental performance is a source of competitive advantage that is the outcome of 'innovations' / adopting a 'strategic model' for environmental management. Miles and Covin (2000) support the above saying. As per Rahman et al. (2011), green marketing implies a business

policy that is operated in a way that reduces waste, is eco- friendly, saves energy and encourages environmental health by contributing to society's sustainability.

The effort to recognize and implement green marketing is not only restricted to the realms of marketing department but it encompasses the entire organization constituting various functional areas including design, quality, production and supplies. Embracing and encouraging green practices is observed as a strategy that increase a business's CSR (Schubert et al., 2010). As organizations are spending lumps of money on water, energy and waste disposal, it is yielding a substantial reduction in resource consumption by 20 to 40 percent without lowering their operational performances by resorting to sustainable practices (Graci and Doods, 2008). These practices include recycling, source / waste reduction, energy / water conservation, product-life extension, etc. Ottman (1992) suggests that environmental concepts and considerations be made an integral part of all areas of marketing for effective implementation of green marketing. A green brand identity can help an organization in enhancing its public image as an eco-friendly organization and lead to subsequent strengthening of its CSR in the regime of attracting the public towards positive purchase decisions.

Brands which are established on genuine CSR image have better potential to change resistant consumers and encourage loyal ones (Pérez, 2009). Regulatory compliance is a major reason for firms to hold onto green marketing and this is also observed as one of the dimensions of CSR (Carroll, 1991). If green strategies are effectively implemented then it may lead to positive change in the organizational image and the overall operations from the view point of employees, customers, stakeholders and other groups (Ham and Choi, 2012). Organizations are expected to manage operations responsibly and offer care towards both the stakeholders' interests and local communities at large (Simmons, 2004).

The dimensions of CSR are extrapolated as:

The Economic Dimension

This component advocates that businesses are completely responsible to ensure a return on

investment to owners and shareholders. Not only do they offer jobs to the society and leads to production of goods / services and but also selling them for profit (Visser, 2008). It also provides a competitive advantage (Mahmood and Humphrey, 2013) to arrive at efficient ways to operate the business interventions and impart innovation to their offerings to enhance the business's revenue (Carroll, 1991; Alniacik et al., 2011). Ismail (2009) has also pointed out that CSR ideas emerge after a realization is made that there is a constant need for an economic responsibility.

The Philanthropic Dimension

This component is aimed at discussing the promotion of the human welfare as well as imparting goodwill by actively involving in humanitarian / voluntary programs (Carroll, 1991). As per the assessment of Cowper-Smith and de Grosbois (2011), voluntary communications is one of the ways through which organizations grant their CSR initiatives a public see through. Developed nations often perceive philanthropic responsibility as a compulsion via legal enforcement, however, it is an expected norm for developing countries (Visser, 2008). CSR activities have gained eminence among MNCs as they offer greater visibility and yield high media exposure giving better scope for community involvement (Fougère and Solitander, 2009; Sotorrío and Sánchez, 2010). Schmidheiny (2006) has also emphasized that social issues are granted a high media publicity specially among developing nations.

The Legal Dimension

The legal dimension of CSR claims that organizations must ensure that business practices are legal and are being performed in a way which bears consistency with the rules / regulations prescribed by the government for the benefit of the society (Carroll, 1991; Mullerat and Brennan, 2005; Ismail, 2009). The government plays a pivotal role in sustaining the public's interests (Sundaram and Inkpen, 2004; Detomasi, 2008) via regulation / legislation which is an outcome of public consultation (Colley et al., 2003). Legal stewardship comprises environmental acts and regulations which lay impetus on the contribution towards

the overall legislation of a nation. To combat adverse legal consequences viz. unnecessary fines / imprisonment, firms often ensure that their operations comply with the environmental standards as set by the incumbent government (Smith and Perks, 2012).

The Ethical Dimension

The ethical dimension talks about facts beyond the stated law. An organizations' ethical responsibilities encompass (i) strategies to sustain the environment for future generations (ii) grant of civil rights (iii) opting socially acceptable moral values / norms (Carroll, 1991). Hiseh (2009) and Tsoi (2010) have stated that businesses need to act ethically and contemplate the welfare of the society while still making profits from the public. It then plays as a competitive advantage (Mahmood and Humphrey, 2013) for the organization because it creates a positive image among the society and makes more profit (Bondy et al., 2012).

RESEARCH METHOD

A social sciences driven research methodology has been used to draw evidence that relate green marketing with dual aspects of Corporate Social Responsibility (CSR) and core marketing strategies. An exploratory cum descriptive research design has permitted the weaving of environment oriented marketing with the two aspects under consideration. Qualitative research techniques facilitated via conceptual framework analysis and grounded theory approach is used to segregate the entire literature into four dimensions (namely, economic, philanthropic, legal and ethical dimensions) by making them conceptual anchors. Then an Interpretive modeling of conceptual framework is used based on references derived from reputed management and environment studies' journals / research papers drawn from authentic data repositories. Systemic search methodology using specific key words is the prime data mining technique employed in the research. Green marketing interventions of few organizations are put under scan and their CSR oriented greening strategies are extrapolated to study the way it is complementing the dual target of marketing and CSR. In this paper, inductive research approach has generalized the findings and put the multi organizational study on a broader canvas.

RESULTS AND DISCUSSION

The vast literature review undertaken during the course of the research suggests that the fundamentals of green marketing, when developing the conception of corporate social responsibility, cannot be kept in water tight compartments as they are closely related. After a detailed introspection of the literature, the relatedness of the identified four dimensions of CSR to green marketing interventions have been presented in the form of a model (figure 1). The following facts have also been deduced from the study:

- ✓ As the organizational competency increases, the factors of ecological and social responsibility of business gains eminence.
- ✓ Green marketing acts as an effective instrument for gaining a competitive advantage and for subsequent image building.
- ✓ Organizations should not only be interested in churning profit, but also get engaged in interventions that justifies the corporate social responsibility. This is adequately achieved via floatation of green products, opting for green pricing, resorting to green logistics, adoption of green packaging and promotion policies.

During the course of the research, very limited literature on the relationship between CSR and green marketing was found, bringing the conceptualization of the proposed model in restricted frames. Also, not many organizations have thought of carrying CSR activities and utilizing green marketing as a base to build on organizational image before the public. This has further led to green marketing cum CSR oriented research study that is quantitatively restricted to a limited number of companies (table 1).

Based on the research, it is suggested that environmental and social responsibility be integrated into the philosophy and strategic intent of business firms. Green marketing should not just be exploited by corporations due to the legislations and pressure set by government. CSR is an integral part of corporate activity that acts as a connective link between business and community and the urge to behave in a socially responsible way deserves society's high attention. Only when this approach is given due consideration either due to voluntarily or legal requirements, can this CSR cum green marketing strategy turn out as a unique competitive weapon.

Table 1: Organization-wise description of green marketing cum Corporate Social Responsibility (CSR) interventions

No.	Organization	Green Marketing cum CSR interventions
1	Tata Steel	It commits to minimize the detrimental impact of its operations on ecology by conserving the natural resources & energy consumption by opting for lean management and resorting to reducing & recycling of materials.
2	NDTV (New Delhi Television Ltd) & Kirloskar Motor Pvt. Ltd.	The two organizations associated to launch 'Greenathon' which was a one full day live television event aimed at generating awareness about environmental concerns.
3	Titan	Minimizes the consumption of metallic materials in all its processes, recycles the waste product for ensuring techno-commercial viability, emphasizes on maximum conservation of natural resources viz. energy, fuel and water.
4	Reva Electric Car Co.	Credited for developing a new market for electric cars and thereby adding to an environmentally sustainable business.
5	Wal-Mart	Walmart has advocated that its non-farm-raised fresh fish to be legally certified by the Marine Stewardship Council and declared as sustainably harvested.
6	Panasonic Corp.	Initiated 'Go-to-schools' interactive campaign to spread awareness among students on both global warming and other forms of environmental concerns.
7	Whirlpool	Won the Golden Carrot award for launch of "Energy Wise" refrigerator, which was the first CFC free cooler and it claimed that it was 30 percent more energy efficient.
8	Henkel India Ltd.	The firm launched the "eco-learn" initiative which aimed at inculcating environmental concern and sustainability.
9	Reckitt Benckiser Group Plc.	Launched a global campaign termed 'Our Home Our Planet' which helped consumers to save money and effectively minimize their carbon footprint.
10	Hindustan Unilever Ltd.	HUL's, 'Surf Excel Quick Wash' spread the message about how housewives can effectively save approximately two buckets of water if they resort to use premium detergent powder to wash clothes.
11	Nokia India Pvt. Ltd.	Launched an environmental campaign to recycle electronic waste. Consumers were encouraged to dump their old mobile phones and related accessories at any one of the 1,300 eco-based recycling bins at either Nokia priority dealers or Nokia care centers.
12	Philips India	The strategic intent integrates social equity, economic prosperity and environmental quality. They believe in delivering value by embarking on three strengths: healthcare, lifestyle and enabling technologies.

4 Dimensions of Corporate Social Responsibility (CSR)

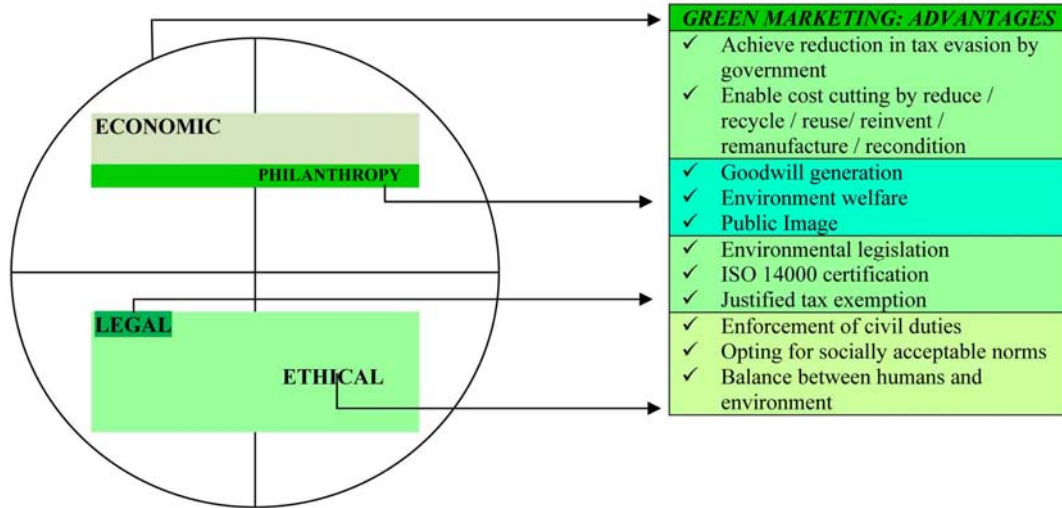


Figure 1: Relating the four dimensions of Corporate Social Responsibility (CSR) with Green (environmental) marketing advantages

CONCLUSION

The study undertaken reveals that green marketing is an indispensable part of the bigger framework of Corporate Social Responsibility. It considers a wide variety of dimensions / factors that make companies successful and also takes responsibility of their effect on mother planet. It is a conceived notion that the organizational success is dependent on profit and social responsibility which eventually leads to profit maximization. Therefore, the organization needs to reflect its social responsibility in its practices and policies and make them a part and parcel of its mission, values and strategy. Green practices certainly are an added advantage for organizations as they ensure superior financial and market performance by balancing holistic development with environmental sustainability. Green marketing is a conception that helps a business in simultaneously becoming socially responsible, in providing better green products, in improving work conditions and contributing to the community in a big way.

REFERENCES

- Alniacik, U., Alniacik, E. and Genc, N. (2011). How Corporate Social Responsibility Information Influences Stakeholders' Intentions. *Corporate Social Responsibility and Environmental Management*, 18 (4), pp. 234-245.
- Bondy, K., Moon, J. and Matten, D. (2012). An Institution of Corporate Social Responsibility (CSR) In Multi-National Corporations (Mncs): Form and implications. *Journal of Business Ethics*, 111 (2), pp. 281-299.
- Business Functions. *Southern African Business Review*, 14 (3).
- Carroll, B. A. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business and Society*, 38 (3), pp. 268-295.
- Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*, 34 (4), pp. 39-48.
- Carroll, A. B. (1999). Corporate Social Responsibility Evolution of a Definitional Construct. *Business and Society*, 38 (3), pp. 268-295.
- Chen, Y. S. and Chang, C. H. (2012). Enhance Green Purchase Intentions: The Roles of Green Perceived Value, Green Perceived Risk, and Green Trust. *Management Decision*, 50 (3), pp. 502-520.

- Colley, J., Doyle, J., Logan, G. and Stettinius, W. (2003). *Corporate Governance*, New York: McGraw-Hill.
- Cowper-Smith, A. and De Grosbois, D. (2011). The Adoption of Corporate Social Responsibility Practices in the Airline Industry. *Journal of Sustainable Tourism*, 19 (1), pp. 59-77.
- Dagiliene, L. (2010). The Research of Corporate Social Responsibility Disclosures in Annual Reports. *Inžinerine Ekonomika- Engineering Economics*, 21 (2), pp. 197-204.
- Detomasi, D. A. (2008). The Political Roots of Corporate Social Responsibility. *Journal of Business Ethics*, 82 (4), pp. 807-819.
- Fougère, M. and Solitander, N. (2009). Against Corporate Responsibility: Critical Reflections on Thinking, Practice, Content and Consequences. *Corporate Social Responsibility and Environmental Management*, 16 (4), pp. 217-227.
- Graci, S. and Dodds, R. (2008). Why Go Green? The Business Case for Environmental Commitment in the Canadian Hotel Industry. *Anatolia*, 19 (2), pp. 251-270.
- Ham, S. and Choi, Y. K. (2012). Effect of Cause-Related Marketing for Green Practices in the Hotel Industry. *Journal of Global Scholars of Marketing Science*, 22 (3), pp. 249-259.
- Hsieh, N. H. (2009). Corporate Social Responsibility and the Priority of Shareholders. *Journal of Business Ethics*, 88 (4), pp. 553-560.
- Ismail, M. (2009). Corporate Social Responsibility and Its Role in Community Development: An International Perspective. *The Journal of International Social Research*, 2 (9), pp. 200-209.
- Jhavar, A., Kohli, G., Li, J., Modiri, N., Mota, V., Nagy, R. and Shum, C. (2012). Eco-Certification Programs for Hotels in California: Determining Consumer Preferences for Green Hotels.
- Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A. and Zeriti, A. (2013). Resources and Capabilities as Drivers of Hotel Environmental Marketing Strategy: Implications for Competitive Advantage and Performance. *Tourism Management*, 35 (April 2013), pp. 94-110.
- Mahmood, M. and Humphrey, J. (2013). Stakeholder Expectation of Corporate Social Responsibility Practices: A Study on Local and Multinational Corporations in Kazakhstan. *Corporate Social Responsibility and Environmental Management*, 20 (3), pp. 168-181.
- McDonagh, P. and Prothero, A. (1997). *Green Management: A Reader*, London: The Dryden Press.
- Miles, M. P. and Covin, J. G. (2000). Environmental Marketing: A Source of Reputational, Competitive, and Financial Advantage. *Journal of Business Ethics*, 23 (3), pp. 299-311.
- Mullerat, R. and Brennan, D. (2005). *Corporate Social Responsibility: The Corporate Governance of the 21st Century*, Kluwer Law International.
- Ottman, J. (1992). *Green Marketing: Responding to Environmental Consumerism*. NTC Business Books.
- Peattie, K. (1995). *Environmental Marketing Management: Meeting the Green Challenge*, London: Pitman Publishing.
- Peattie, K. and Crane, A. (2005). Green Marketing: Legend, Myth, Farce or Prophecy? *Qualitative Market Research: An International Journal*, 8 (4), pp. 357-370.
- Pérez, R. C. (2009). Effects of perceived identity Based on Corporate Social Responsibility: The Role of Consumer Identification with the Company. *Corporate Reputation Review*, 12 (2), pp. 177-191.
- Piercy, N. F. and Lane, N. (2009). Corporate Social Responsibility: Impacts on Strategic Marketing and Customer Value. *The Marketing Review*, 9 (4), pp. 335-360.
- Porter, M. E. and Van Der Linde, C. (1995). Green and Competitive: Ending the Stalemate. *Harvard Business Review*, 73 (5), pp. 120-134.
- Rahman, I., Reynolds, D. and Svaren, S. (2011). How "Green" are North American Hotels? An Exploration of Low-Cost adoption Practices. *International Journal of Hospitality Management*, 31 (3), pp. 720-727.
- Schmidheiny, S. (2006). A View of Corporate Citizenship in Latin America (Turning Point). *Journal of Corporate Citizenship*, 21 (1), pp. 21-24.
- Sheth, J. and Parvatiyar, A. (1995). Ecological Imperatives and the Role of Marketing, in Polonsky, M. and Mintu-Wimsatt, A. ed. *Environmental Marketing: Strategies, Practice, Theory and Research*, New York: The Haworth Press, pp. 3-20.
- Simmons, J. (2004). Managing in the Post-Managerialist Era: Towards Socially Responsible Corporate Governance. *Management Decision*, 42 (3/4), pp. 601-611.
- Smith, E. E. and Perks, S. (2012). A Perceptual Study of the Impact of Green Practice Implementation on the Business Function. *African Journals Online*.
- Sotorrió, L. L. and Sánchez, J. L. F. (2010). Corporate Social Reporting for Different Audiences: The Case of Multinational Corporations in Spain. *Corporate Social Responsibility and Environmental Management*, 17 (5), pp. 272-283.
- Sundaram, A. K. and Inkpen, A. C. (2004). The Corporate Objective Revisited. *Organization Science*, 15 (3), pp. 350-363.
- Tsoi, J. (2010). Stakeholders' Perceptions and Future Scenarios to Improve Corporate Social Responsibility in Hong Kong and Mainland China. *Journal of Business Ethics*, 91 (3), pp. 391-404.
- Ubius, U. and Alas, R. (2009). Organizational Culture

Types as Predictors of Corporate Social Responsibility. *Commerce of Engineering Decisions*, 1 (61), pp. 90-99.

Visser, W. (2008). Corporate Social Responsibility in Developing Countries. *The Oxford Handbook of Corporate Social Responsibility*, 473-479.

World Business Council for Sustainable Development (2002). Available: www.wbcsd.ch/