

Sustainable Marketing practises in Selected Industries

Dr. Manish Deshmukh, Department of Commerce, Sonopant Dandekar Arts, V.S. Apte Commerce and M.H. Mehta Science College, Palghar, MH, India.

Prof. Harshal S. Deshmukh, Asst. Professor (Marketing), M.V.P's I.M.R.T, Nasik, MH, India.

ABSTRACT - Sustainable marketing is the implementation of sustainable business practises that generate improved businesses, improved relationships and an improved world. Sustainable marketing refers to the way of marketing which integrates customer requirements, organisational requirements and the society requirements in general a long term.

This Research paper focus on concept of Sustainable Marketing, Importance of the Sustainable Marketing, Sustainable Marketing Principles, Sustainable Marketing Practises in selected industries.

KEYWORDS: Sustainable marketing, Sustainable Marketing Principles.



I. INTRODUCTION

Sustainable marketing approach leadsto aligning internal processes and organizes Resourceswhich create value for stakeholders these activities of firm results in enrichment of the external natural and social environmentsThe organisations having desired goals and valuesuse this approach to gain better economic viability, as well as on natural and social environments in which they are operating. Sustainable development approach consider all finite resources of the earth,it refers to the use of renewable energy recourses and sustainable agriculture or forestry practises.Some authors associate sustainable marketing with concepts like social responsibility marketing, humanistic marketing and ecological marketing. These concepts depend on the idea that the organizations job is to find out the requirements, desires and interests of the target customers and to deliver the desired satisfaction more efficiently and capably than competitors in a way that conserves or relationship with customer by directly providing products and services required by them, and by also conserving and improving the complete society's well-being.Sustainable marketing is the process of promoting products that are environmentally safe at the retail level and touting a company's

commitment to sustainable practises at the public relations level.

| | | | |
|--------------------|--------|----------------------------|--------------------------------------|
| Needs of Consumers | Now | Marketing concept | Strategic planning concept |
| | Future | Societal marketing concept | Sustainable marketing concept |
| | | Now | Future |
| | | Needs of Business | |

Fig-Sustainable Marketing

OBJECTIVES-

The specific objectives of this paper are:

- 1) To study the Importance of Sustainable Marketing.
- 2) Tostudy the Sustainable Marketing Principles.
- 3) To study the Sustainable Marketing Practises in selected industries.

II. RESEARCH METHODOLOGY

This is a theoretical paper and hence, it is based only on secondary data. This data were collected from various

books, websites, and journals, which provided information on the Sustainable Marketing in India.

III. IMPORTANCE OF SUSTAINABLE MARKETING

1) Cost Saving:

Cost Saving can be one of the biggest motivators for companies. Generally actions taken are easily attainable but they save the costs only in the short term. Sustainable marketing provides both easily attainable and inexpensive actions, as well as more inclusive and cost demanding changes, both resulting in long term cost savings. It would be impractical to expect organizations to make their production more sustainable immediately. A step –by-step approach is rational, beginning with simply realizable actions which induce quickly before realizing more cost concentrated changes. Common cost benefits are attained through energy, material and waste efficiencies.

2) Reputation-

An organization has to earn reputation and being sustainable can earn it a good reputation. A company does not essentially have to show their sustainability in numerous words but instead through their actions. Word of mouth or support from reputable NGOs is stronger than something which comes from the organization itself. If sustainable marketing is practised in the appropriate way, it will be beneficial for the organization or brand image and it develops trusts in their customers and creates loyal customers.

3) Improve Financial and Investment Opportunity-

Financial analyst is now considering sustainability plans with regards to energy efficiency and reduction of environmental impact as an important evaluator criterion for financial analysis. companies that have developed A 2007 Goldman Sachs study revealed that companies focusing environmental social and governance policies have outperformed the general stock market by 25 percent with 72 percent of the companies outperforming their peers since August 2005. In 2009, A.T.Kearney compared the economic performance of companies committed to sustainability versus companies conducting business as usual. The conclusion of the study was that these companies performed better than their competitors and were better protected against value erosion. In a study of role of finance and Environmental Sustainability Efforts, wherein 175 top CFO's were surveyed of which more than half believe their companies will increase revenue through strong sustainability initiatives.

4) Increase Employee Retention and Recruitment-

Employees want to work with companies that are “doing the right things” and being proactive with corporate

environmental and social programs 2007 SURVEY BY Adecco, an international HR company ,found that 52 percent of employed adults feel their companies should do more about the environment. Companies expect that employees loyalty and ethics towards the organisation. According to a Global Study of Business Ethics by the American Management Association, one of the top five internal practises for ensuring an ethical corporate culture is developing corporate social responsibility programs. Gallup estimates that, based on 2011 survey, the cost of disengaged employees in the united states is more than\$ 300billion and includes 20.6 million workers of 15 percent of the U.S.workforce .

5) Leadership-

Leadership can be either obtained through sustainable marketing. By being sustainable, the company can improve their image and obtain a competitive advantage. By adopting sustainable solutions now, organizations can leave the competition behind the reputation it takes years to establish.



Fig-Sustainable Marketing Principles

IV. SUSTAINABLE MARKETING PRINCIPLES

1) Consumer –oriented Marketing:

In this approach company is expected to focus on customer expectations. It should work hard to satisfy and fulfil the needs of customer at present as well as in future All good marketing companies have one common factor passion for delivering superior value to carefully chosen customers.

2) Customer –value Marketing:

Sony and Microsoft kicked the Mario out of Nintendo’s Game cube in the Video Game War of 2001, after that the smallest of the three game platform makers was in need of a new plan. Nintendo decided to focus on the fun of playing, rather than cold tech specs.

3) Sense –of –Mission Marketing:

It means that the company should first define its mission in broad social terms, rather than narrow product terms.

When a company define its social mission, employees feel better about their work and have a clearer sense of direction. Nintendo.Nintendo.Brands that are linked with broader missions are longlasting run interests of both the brand and consumers. For example, Dove wants to do more than just sell its beauty care products .it is on a mission to discover real beauty and help women be happy just the way they are.



| Rank (2015) | Company | Rank (2014) | Company |
|-------------|-----------------------------------|-------------|-----------------------------------|
| 1 | Tata Steel Ltd. | 1 | Mahindra & Mahindra Ltd. |
| 2 | Tata Power Company Ltd. | 2 | Tata Power Company Ltd. |
| 3 | UltraTech Cement Ltd. | 3 | Tata Steel Ltd. |
| 4 | Mahindra & Mahindra Ltd. | 4 | Larsen & Toubro Ltd. |
| 5 | Tata Motors Ltd. | 5 | Tata Chemicals Ltd. |
| 6 | Tata Chemicals Ltd. | 6 | Tata Motors Ltd. |
| 7 | ITC Ltd. | 7 | GAIL (India) Ltd. |
| 8 | Shree Cements Ltd. | 8 | Bharat Petroleum Corporation Ltd. |
| 9 | Bharat Petroleum Corporation Ltd. | 9 | Infosys Ltd. |
| 10 | Larsen & Toubro Ltd. | 10 | Jubilant Life Sciences Ltd. |

Fig- Top 10 Companies using Sustainable Marketing Practises

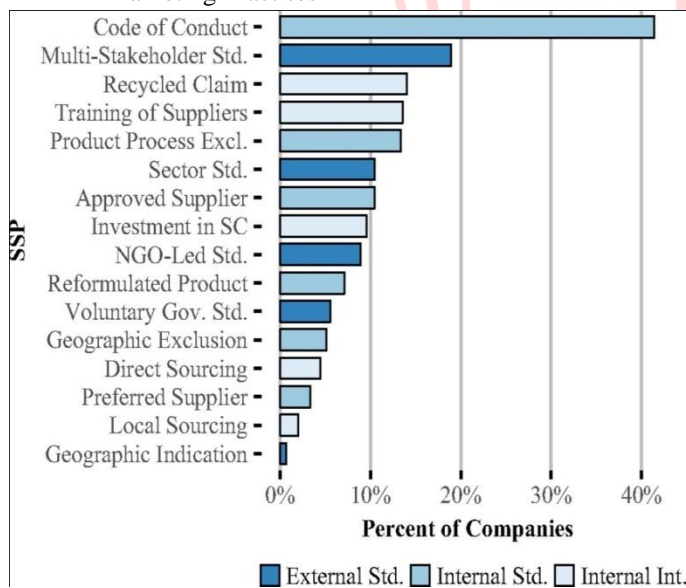


Fig-Contribution of Companies in Sustainable Marketing Practises

SUSTAINABLE MARKETING PRACTISES IN INDUSTRIES-

1) TCS-

A) Organizational Set-up:

Established in 1968, TCS made revenues of 4.3 billion in 2006-07, an increase of 41 percent on the previous year's performance. Over 55 percent of its revenues come from the Americas, close to 30 percent from Europe, and about 10 percent from India. It employee strength is 85,000 people,from 67nationalities, through its operations in 47 countries and 148 offices

| Leadership | CS Responsibility |
|----------------------------------|--|
| CEO&Managing Director | Community and environment issues |
| Chief Operating Officer and Head | Customer relationships |
| Global Sales | Supplier relationship |
| Chief Financial Officer | Human rights Policy |
| Head, Global Corporate Affairs | Linked with employees in the workforce |

Remuneration of the Vice President and Global Head of Corporate Sustainability, and the Head –Health, Safety and Environment, is a mix of fixed and variable components, linked with the organisations performance in terms of corporate sustainability. The Business Plans of various business units-drawn in the light of overall TCS strategy and corporate goals –require identifying the goals, customer /stakeholders' objectives, the constraints and risks to be overcome, and also the TCS'S Corporate Social Responsibility to various stakeholders depending upon the applicability.

B) Strategy:

The nature of TCS business does not contain highly polluting processes. However,

The industry does have an environmental footprints that is worthy of reducing.TCS has set a target to reduce its carbon footprint by25-30 percent in five years up to2012through number of

Programmes worldwide.

- a) Environment-friendly disposal of 100 percent e-waste according to the Indian policy on e-waste.
- a) Environment-Friendly disposal of 100 percent printer cartridges.
- b) Ten percent increase in recycled water
- c) Ten percent increase in solar hot water capacity

- d) Five percent decrease in power consumption
- e) Two percent decrease in paper consumption
- f) 25 percent increase in manure generation through vermi-culture.
- g) Two percent reduction in water consumption

TCS sponsors the Marketplace Innovation Award in collaboration with BITEC .81 Previous winners include Scottish, a joint venture between Scottish Power and Lafarge for creating sustainable construction products, Barclays Bank for their microfinance initiative in Ghana.

C) The Path towards Sustainable Profit and Innovation:

TCS seeks to better benefit from its innovation work by integrating it with core business strategy and institutionalising the sustainability –innovation process. Successful innovations need to move beyond the pilot phase to scale –up according to a pre-determined business model.

2) Umicore



Umicore is elected as the most sustainable company in the world. According to the report of a Canadian Magazine Canadian magazine it has put the Belgian company at topmost position in its global top 100 of sustainable businesses.

Umicore signed an historic agreement with the Flemish government for 77 million euro in the year 2004 to replace heavily contaminated soil, The company’s main contribution to a more sustainable world centres around the products and services they provide to their worldwide customer base. The areas where they had made the most telling contributions are:

a) Resource scarcity:

In today’s world, metals are in greater demand but are becoming ever scarcer. Umicore’s recycling capabilities recover more than 20 elements including precious and other metals.

b) Clean air:

Umicore’s worldwide efforts towards stricter emissions standards provide global growth opportunities in automotive catalysts, for both light and heavy –duty vehicles.

c) Vehicle electrification:

The growing market for lithium ion batteries is driving demand for their rechargeable battery cathode materials.

d) Clean energy:

Umicore develops materials that are an important part of highly efficient photovoltaic technologies, in turn utilized to enable other energy efficient products.

e) Stakeholder engagement:

They engage with their stakeholders through effective and transparent communication. They believe that fostering a fruitful relationship with these stakeholders has a direct impact on their success. As part of their Vision 2015 strategy, they have developed two objectives related to their stakeholder engagement.

f) Powered by You Programme:

Powered by You is the educational clean mobility programme of Umicore. Umicore supports engineering student teams that build electric vehicles to compare in international competitions such as Formula Student, Shell Eco-marathon and the Dong Energy Solar Challenge..

In 2014, the Powered by You Programme involved more than 60 students from four universities in Belgium and Germany.

3) Dell-



Almost every week goes by some sort of green IT, corporate sustainability or environmental announcement from Dell. One could take an indication from the breadth and depth of Dells marketing and public awareness statements when it comes to its position on various environmental issues.

For example, one week there have been two highly visible proclamations. The company started off with an update about about its posture when it comes to renewable energy, and they ended with the company’s move to commit more resources to combating rainforest destruction and update on how other companies are using its products to reduce energy consumption.

Dell is a member of the Princes Rainforests Projects, founded by the Prince of Wales, Which focuses on disclosing the connection between climate change and rainforest destruction. Dell uses the development to remind us about its own policies toward decreasing its use of paper, a topic that is receiving more and more air time this

year as companies look outside their data centres for ways to make a meaningful impact on sustainability.

Here is Dells Forest Products Stewardship Model policy. Dell says that it uses an average of 50 percent recycled paper for its publishing requirements in marketing materials, up to 90 percent in some cases. The company hopes to ignore using about 35,000 tons of virgin fiber yearly by sticking to this strategy. In its offices, it now defaults to double –sided printing where possible .The company also is on a path to cut the size of its product packaging up to 10% by 2012 and to increase the amount of recycled content inside.

The background of dell is so impressive .Every one of the public proclamations has some meat behind it either in the form of the policy or relevant staistics.That is what helps this company's frequent communications about green IT and corporate sustainability stand out .Sure, there are exceptions. But they are easily filtered out.

4) Vestas-



This company has installed wind turbines in 73 countries around the world and they have a considerable experience in all the key disciplines engineering, transportation, construction and operations and maintenance, Their projects have covered every kind of site, from high altitude to extreme weather conditions.

Every day, they influence their global experience to constantly enhance the performance of their customers wind power plants.

They have installed more than 52,000 turbines on six continents, which generate more than 90 million MWh of energy per year which is enough electricity to supply millions of households.

V. COMMITMENTS

Vestas is committed to a range of global initiatives such as the United Nations Global Compact and world Economic forums partnering Against Corruption Initiative. These commitments support their intent to power sustainability both within the organization and beyond.

They support the global operations and employees through an expanding set of sustainability policies. Most recently, policies on human rights and freedom of association have been embedded to enforce human rights practises and

ethical behaviour in the business, especially when entering emerging markets.

Sustainable Products:

A single Vestas wind turbine will generate more than 25 times the energy than it uses in its entire lifecycle and return this back to society, And, a single Vestas wind turbine only emits round one percent of carbon dioxide when compared to a coal power plant. However

They admit that when producing to control wind energy a small negative impact on the environment is made.Vestas is committed to reduce this impact to the extent possible together with their suppliers and customers.

Managing sustainability:

To encourage a company –wide sustainability culture, Vestas invests in nurturing and developing knowledge and skills of their employees, so everyone is empowered to work towards a shared vision of sustainability. At every level of the organisation, awareness is raised to minimize sustainability risks.

Reporting:

At Vestas, they believe in being open the way they operate with regard to the sustainability aspects of their business. To demonstrate this, they report and document the facts using two readily accessible tools.

Annual Report:

The annual report describes their objective for their work in the context of sustainability. It also contains statistics on key indicators, as well as expectations for the future.

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