

Green Marketing Innovations in Small Indian Firms

Harsimranjit Singh* Rajinder Kumar**

**Assistant Professor, Department of Management, Bhutta Group of Colleges, Rara Sahib, Ludhiana*

***Assistant Professor, University School of Management, Desh Bhagat University, Mandi Gobindgarh*

Abstract

The purpose of this paper is to explore green marketing innovations in small Indian firms which serve as significant dimensions for developing green identity of small firms in the market. Design/methodology/approach – Data were attained by interviewing marketing managers for green products in small Indian firms. Six categories of green marketing innovations are identified – marketing compliance, marketing strategic partnership, marketing environmental commitment, marketing green team, marketing benchmarking and marketing (environmental) ethical behaviour. The distinct green marketing approaches and innovations determined point out that contemporary marketing innovations and decisions have moved beyond limited alternatives predetermined by product and market definitions, and downstream market-related actions such as advertising, packaging, selling or distribution, and are now based on compliance, commitment and leadership in context of small firms. This study is distinctive to employ natural resource-based view theory in context of determining green marketing innovations in small firms.

Keywords: Green Marketing, Innovations, Small Firms, India

Introduction

The role and relevance of marketing in SMEs has increased its scope in research and in answering prominent questions related to their survival (Walsh and Lipinski, 2009; Simpson and Taylor, 2002). In the last four to five decades, commitment to the natural environment has motivated firms of all sizes to develop innovative ways to enhance their effectiveness, and to gain operational and market related benefits. So, environmental issues have received growing attention in marketing literature with the remarkable increase in interest of firms towards the concept of environmental preservation. This has resulted in addressing an increasing quest for developing innovative approaches in green marketing (Chang and Chen, 2013; Chen, 2008, 2011).

This results in several green marketing innovations which serve as dimensions of their competitive advantages. This study expects to explore these green marketing innovations which serve as decisive dimensions for developing green identity of small firms in the market.

Literature review

The literature review first appraisals literature on

green marketing in small firms. Further, it explains how marketing innovations develop from within and external to the organizations in context of small firms and then, it establishes need for this study.

Green marketing in small firms

Natural resource-based view (NRBV) theory is known to be the theoretical foundation of green marketing. It was proposed by Hart (1995) that furnishes to developing three strategic capabilities, i.e. pollution prevention, product stewardship and sustainable development. First, pollution prevention strategy reins and prevents from the pollution to be created during the manufacturing processes, transportation and logistics, product usage and post-usage processes. It also reduces waste produced that results in better utilization of inputs, lower cost of waste disposal. Thus, it offers firms significant cost savings, and increases productivity and productivity in manufacturing processes. Second, product stewardship strategy mixes environmental considerations in product design and development processes. It enables firms to achieve low life-cycle environmental costs and guides the selection of raw materials that minimizes the environmental impact of product systems. Third, sustainable development

strategy implies long-term commitment to market development and develops long-term environmental vision which rises a firm's expectations for better performance to competitors.

Marketing innovations in small firms

Innovation is defined as implementation of new ideas that create value (Linder et al., 2003). Innovation in marketing context is deeply rooted in earlier efforts of Silk (1963) who depicted innovation as a changing phenomenon in the field of marketing. Innovation paradigm of marketing focuses upon what marketers do in holding their responsibilities of guiding innovations. It deals with developing and exploring new marketing procedures to increase growth and profits through a planned set of activities (Levitt, 1960). It is a function that identifies opportunities for change, induce the set of actions required and monitor the change once introduced (Simmonds, 1986). Marketing in small firms is seen as expensive to implement, time consuming and requires special expertise.

Need for the study

Though the importance of small firms to the economy is largely acknowledged in the marketing literature (Parry et al., 2012; O'Donnell, 2011; Reijonen, 2010; Ledwith and O'Dwyer, 2008), limited efforts are made to understand marketing innovations in small firms. A partial number of studies have explored marketing innovations and their sources. Though literature lacks specific papers on green marketing practices and innovations in small firms, inferences can be drawn by involving prominent literature on green marketing strategies and green innovations in small firms.

Methodology

This section outlines objective of the study. Further, it proposes scope and methodology adopted to achieve the objective outlined. Further sub-sections define nature of the firms selected and analysis techniques employed.

Objective of the study

Objective of the paper is to explore green marketing innovations in small Indian firms which serve as decisive dimensions for emerging green identity of small firms in the market. Since addressing environmental issues in small Indian firms has

gained recognition (Dasgupta, 2000), this study intends to make important contribution by exploring green marketing innovations in small Indian firms.

Scope and methodology

This study is an exploratory in nature and examines green marketing innovations in small Indian firms. It adopts methodological approach from modern interview-based studies published in Management Decision such as Akhter and Barcellos (2013) and Owens (2007). For this study, the researcher directed field interviews of marketing managers involved in marketing of green products in small firms. Qualitative interviews were beneficial for researchers due to the fact that it offers a considerable amount of data collection both in quantity and quality (Kvale, 1996). In the study, a systematic process of data collection through in-depth interviews using a semi-structured format was directed by interview protocol developed to maintain consistency in data collection and to increase reliability.

A total of 50 marketing managers were involved in the study that was perceived to be a crucial part of marketing process at their respective companies. The respondents mostly belonged to middle and senior level managers in marketing department. Duration of each interview varied from 30 to 40 minutes. Interviews were the main source of data. Appropriate documents of companies such as memorandum, newsletters, manuals, and product brochures and catalogues published between 2003 and 2013 were similarly collected to examine, verified and analyzed for relevant information.

Nature of firms selected

Based on the screening method mentioned in earlier section, a list of firms were prepared and contacted for the interview. A small firm is an enterprise where the investment in a plant and machinery is more than INR 25 lakh but does not exceed INR 5 crore (Ministry of MSME, 2008; Ministry of MSME, Government of India, 2006). This definition of small firms is used by significant studies in India such as Pillania (2008).

Further, the firms who responded and contributed in the data collection procedure belonged to the following industries: paper products (10 per cent), electronics (18 per cent), electrical products and cables (15 per cent), auto components (15 per cent),

rubber products (10 per cent), paint (12 per cent), chemicals and petrochemicals (10 per cent) and pharmaceutical industries (10 per cent).

Analysis of interviews

A process of coding in iterative manner was adopted for the analysis of the data collected and the process of coding was guided by Miles and Huberman (1994) and Strauss and Corbin (1990), and that followed by Brown and Ennew (1995). In the process, the data were initially broken into unique categories to understand the emerging trends and the relationships between the categories. Logical coherency and internal consistency were accessed by degree of fit with the data and with the substantive field based on researcher's understanding (Crane, 1997; Dyer and Wilkins, 1991). The results were also validated by sending a summary of findings to the respondents for their comments and suggestions. Many of them responded in time and in general, they agreed with the summary and their suggestions were integrated in final discussion of the paper.

Findings and discussion

Based on the analyses of transcripts, written notes of the interviews and content analysis of related in-company documents, it can be argued that green marketing innovations in small Indian firms are not based on marketing mix elements.

The green marketing innovations identified among small Indian firms are grouped across six categories which are described as follows:

(i) Marketing compliance: for small Indian firms, compliance with environmental regulations is an vital part of their corporate environmental mission. So, green marketing innovations related to compliance deals with promoting proactive environmental stance of firms. It explains promotion of firms' ability and proactive approach to comply with national and international environmental regulations. It involves communicating compliance strategies of firms based on intentional standards, and standards established by national and local governments. It is associated to chemical substances in products, recycling and disposal of used products, energy consumption and efficiency and environmental information disclosure.

(ii) Marketing strategic partnership: strategic

partnership is another significant category of green marketing innovations in small firms that builds on firms' commitment to environmental stewardship. It deals with promoting partnerships made with other firms to focus on shared priorities so that collective environmental performance goals can be set and achieved. Small firms intend to grow a transparent, collaborative and dialogue based partnership that improves their knowledge- and experience-sharing amongst them, enables them to strategize and exchange best-practice insights, improves their relationship and highlights success stories to emphasize value created by the partnership.

(iii) Marketing environmental commitment: environmental commitment deals with developing corporate strategic plan that launches medium- and long-term environmental vision, and environmental goals and targets. It states their environmental policies associated with their vision and value statements, and focuses upon how the environmental policies are communicated across the firm and comprehensive to their business partners. It is related to communicating and implementing environmental policies, and directing environmental audits and progress reviews against strategic business plan and environmental goals.

(iv) Marketing green team: green teams compact with developing competitiveness of the leadership of the firms and their employees who share their passion for the environmental protection. A green team is a self-organized cross-functional group of employees of a firm or a group of firms that takes responsibility corporately for the development and implementation of the policy via selected representatives within each of the core firms of the business. It captures specific, modest and profitable sustainability business opportunities. This is based on the fact that the senior management in a firm is responsible for the delivery of environmental policy, and the team of employees is responsible for initiating, participating and assessing a range of environmental projects.

(v) Marketing benchmarking: Benchmarking deals with comparing environmental, social and economic performance of small firms to that of industry standards and top practices, and assessing

and refining them quantitatively. It examines best environmental practices and environmental performance indicators which lead to larger environmental and economic performance. It encompasses all areas of firms' activities rather than the ones that have an obvious environmental impact.

(vi) Marketing (environmental) ethical behavior: environmental ethics is based on environmental code of conduct that addresses firm-level practices around protection of diversity of the natural environment. This sets firms' expectations from their employees and environmental spirits, and communicates how the employees should behave if confronted with environmental issues. It also covers information affecting to relationships with suppliers and customers for environment-related privacy and confidentiality.

4.1 Green marketing innovation: a two-dimensional approach

Viewed from green marketing innovations perspective, relative significance of small firms to behave strategically and creatively in the face of exchanging market conditions represents an opportunity to gain competitive advantage through superior green marketing approaches. This has motivated them to innovate differently and progress green marketing strategies which are centered to dimensions different than those of large and medium size companies, i.e. 4Ps of marketing. Rather than promoting products for their green attributes, they promote their products for the six categories identified in the study. Contrary to Georgellis et al. (2000), small Indian firms attempt to innovate by developing their capacities to plan onward and willing to take risks.

Managerial implications

The six categories of green marketing innovations in small firms recognized in the study are useful for managers to understand how developing organization-wide marketing innovations intend to provide to the present and future needs of the market as well as to make their organizational process and activities nominal in the present competitive environment. And, the perspectives (collaboration and execution) provide managers in small firms with conceptual apparatus to outline green

marketing innovations and the related practices, and offer an eclectic range of activities to embark on green marketing plans. In other words, an organization-wide thinking for innovations advances their capabilities to innovate for completely affecting cost reduction and performance (operational and market related

Another implication is related to the two standpoints of green marketing innovations. Managers may use their green teams and strategic partnerships to develop more green marketing innovations other than benchmarking, environmental commitment, ethical behaviour and acquiescence. Technological advancements, environment-focused future plans and bagging of environmental certifications may be such illustrations which small firms can use to position themselves amongst their competitors.

Conclusions

Developing interpretations of green marketing innovations for small Indian firms based on NRBV theory has significant theoretical and managerial implications. Based on three strategic capabilities, small Indian firms grow green marketing innovations that are intended to serve as competitive advantage in the market. In other words, the six categories of green marketing innovations in small Indian firms define how the firms utilize three strategic capabilities of small firms in developing competitive advantage for the firms. Findings of the study indicate that marketing has developed as one of the core functions in small firms, and the firms develop distinct green marketing innovations by rethinking and reconsidering their business processes. Thus, marketing concept from "green" perspective has moved much beyond green product offering and immediate sales of green products, and attempts to differentiate the products from the competitors'.

The study is limited to small firms in India and can be replicated in other contexts. This may produce some other green marketing innovations in small firms which may not be captured in the study. Since each interview is unique, it is challenging to difficult to compare the results of in-depth interviews and make quantitative inferences. So, the findings of the study can be further utilized for a quantitative study.

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