



CHAPTER -2 LITERATURE REVIEW

2.1 Emergence of Green Consumerism and Green Marketing World Wide

The concept of “Green Consumerism” has developed in the recent years however; it is still in the nascent stage. The movement started due to the several industrial accidents which took place in the last two decades. Such incidents shed light on the condition of the industry, throwing open the vistas for research studies in this area. This study highlights some of the most significant industrial accidents which were the starting point of “Green Movement” worldwide.

Literature on green marketing indicates that green consumerism began in the sixties. Rachel Carson’s “Silent Spring” (1962) played a significant role in influencing this movement. Her book introduced ecology to the public and spurred a spate of legislative activity to protect the environment.¹³ probably for the first time, the usage of pesticides and its health hazards on humans was studied and brought forward before the world. Subsequently, many significant events and corporate initiatives took place which played a vital role in resurgence of green consumerism.

As cited in Charter Martin’s book, the historic United Nations conference on the human environment took place in Stockholm in 1972, leading to the creation of the United Nations Environment Programme (UNEP). In 1972, the “Limits to Growth Report” submitted to the Club of Rome projected a catastrophic future if growth continued at the same rate and therefore many groups called for “zero growth”. A number of major companies also arose and started responding to the challenge. In the year 1971, IBM had become one of the first companies to establish a formal corporate Environmental Policy and 1974 saw the Control of Pollution act in the UK and the creation of a comprehensive regime to tackle waste, water and noise pollution. The same year also saw the establishment of the US Environmental Protection Agency and the subsequent tightening of US environmental legislation.

In 1978, the first major environmental labeling scheme “The Blue Angel” was conceived in Germany followed in the eighties by others in Canada, Japan and Sweden. In 1980, Earth day was celebrated for the first time and the International Union for the Conservation of Nature and Natural Resources (IUCN) published their “World Conservation Strategy”. The unprecedented number of major environmental disasters in the seventies and eighties like Three Mile Island, Bhopal, Exxon Valdez, Seveso, Flixborough, and Chernobyl caught the public attention and concern.

The first World Industry Conference on Environmental Management (WICEM I) was held in 1984, with over 500 top industrialists debating environmental issues and business. As a result of WICEM, the International Chamber of Commerce (ICC) established a trans-industry clearing house for environmental management information, the International Environmental Bureau (IBE)¹⁴

Greener business trends were continuing to develop in Germany also and in 1984, the German Environmentalist Business Management Association (BAOM) was formed as a professional forum designed to examine the practical implication of profitable environmentally responsible business.

In 1987, The United Nations World Commission on Environment and Development recognized that “zero growth” was no longer a viable option if the needs and aspirations of the industrial nations were to be fulfilled. As a result, the year 1987 saw the publication of *Our Common Future* (The Brundtland Report) which concluded that economic growth had a role to play in improving the standards in the less industrialized world and also in reducing environmental destruction. It suggested that growth had to be of a different order and had to move the world away from viewing the environment as our unlimited resource, to be exploited by each incumbent generation. Thus the concept of modern Sustainable Development was born.

In September 1987, the countries that signed the Montreal Protocol agreed to cut the chlorofluorocarbons (CFC) emissions by half, by the end of the century. The green revolution started in earnest in the UK in 1987 with the Great Storm and the widespread death of seals in the North Sea from an unknown disease. Further impetus was added in

1988, with the British Antarctic survey's discovery of the depletion in the ozone layer over the Antarctic.¹⁵

The Prime Minister of England, Mrs. Thatcher's subsequent speech to the Royal Society on the depth of the environmental problems facing the present and future generations thus then legitimized the debate among many non-environmentalists.

This was followed by the publication in the UK of the "*Green Consumer Guide*" in 1988, and "*The Green Consumer's Supermarket Shopping Guide in 1989*", which gave consumers the first real opportunity to look into the back ground of companies that manufactured the so-called "Green" products.¹⁶

Five years on from the Brundtland Report, the UN General Assembly asked for a report on progress made towards sustainable development and held the *Rio Earth Summit*. Taking place over 12 days in June 1992 in Rio de Janeiro, Brazil, the Earth Summit was the largest environmental conference ever held.

Five separate agreements were made at the Rio Earth Summit. These included:

- The Convention on Biological Diversity;
- The Framework Convention on Climate change;
- Principles of Forest Management;
- The Rio Declaration on Environment and Development; and
- Agenda 21 (a "blueprint" for sustainable development).

Together these agreements covered every aspect of sustainable development deemed to be relevant. These agreements committed countries, including the UK, to be more sustainable whilst creating guidelines for a more sustainable future.

The first phase of Greener Marketing then moved into gear, driven by a host of conferences and proposed exhibitions. Suddenly, there was a rush of excitement, with the word "green" being daubed in every conceivable place. In the month of June 1983, the word 'green' was used 3617 times in newspapers and magazines. In 1989, these figures had risen to 30,777 times. Similarly, the term "environmentally friendly" was used once in June 1985 and thirty times a day in June 1989.¹⁷ Some estimates suggest that manufacturers identified nearly 10% of all new products introduced in 1990 as "green"

or otherwise “environmentally friendly.” This was more than double the number of green products introduced just one year earlier and about 20 times more than the number of green products introduced in 1985. There was also a dramatic rise in green marketing references in news, business, and trade resources during 1990 and 1991.¹⁸

Thus, the journey of research in Green Marketing started more than two decades ago and one of the landmark papers published was in the leading UK academic journal. The Journal of Marketing Management published the paper titled, “Has marketing failed or was it never really tried?” penned by a prominent marketing practitioner King.¹⁹

However, it is found that literature on green marketing is not extensive. In fact, since the late 1970’s only few scholarly references on this subject are available.

Literature on Marketing reveals that the concept of green marketing got attention in the 1970s. During mid-1970s, some significant contributions were made on ecological perspectives of marketing. However, only in 1980’s did green marketing come into lime light. The 1980’s witnessed a rapid increase in green consumerism and green products. In fact, a practical evidence of this came in the form of a highly effective global consumer boycott of C-driven aerosols and the international success of publications such as “*The Green Consumer Guide*”. (1988)²⁰

These developments expanded horizons of corporate activities as well as research in the field of green marketing. Researchers started undertaking studies in various areas of green marketing like efforts to identify the ecologically oriented consumer can be found in the marketing literature as far back as the early 1970s. Thomas Anderson and William H. Cunningham (1972) undertook a study on “Socially Conscious Consumer”.²¹ It was found that markets can be segmented on the basis of consumers’ social consciousness. Demographic and socio-psychological attributes provided criteria for market segmentation.

It was also found that socially conscious consumers appear to be open-minded, aware and exhibit a general orientation toward progress or change. However, there are many unanswered questions like the willingness of the consumers to pay more for products which enhance social/environmental well being or does their open mindedness result in receptivity to new products which are compatible with the environment or question like

which promotional appeals are most effective etc. These questions remained unanswered in this study.

Similarly, a study was conducted on *Personality Traits of Ecologically Concerned Consumers* (Thomas C. Kinnear, James R. Taylor and Sadrudin A. Ahmed, 1974)²² Here, the results indicated that the personality variables were better predictors than the socioeconomic variables. Further, it was found that ecologically conscious consumers are high in openness to new ideas, high in their need to understand the workings of things and they are moderately high in their need to obtain personal safety.

With the passage of time more and more studies were also conducted on Corporate Environmentalism. Here it is worth mentioning the work carried out by Minette Drumwright on "*Socially Responsible Organizational Buying: Environmental Concern as a Noneconomic Buying Criterion*". (1994)²³ The said study was conducted with MNCs and their operations in the U.S. The findings revealed that the zeal for socially responsible buying is rooted in a commitment based on a complex and an often difficult process of moral reasoning. In the year 1997, a study was carried out by Ajay Menon & Anil Menon on "*Environpreneurial Marketing Strategy: The Emergence of Corporate Environmentalism as Market Strategy*"²⁴ and they identified that slowly but surely, consensus has emerged among corporate leaders that social goals and business success are very much interwoven. In fact, business planning should be linked to environmental concern. Thus, some studies were undertaken in this area as well.

Several studies were also carried out on green marketing as a potent tool for sustainable development. Few are mentioned here. "*Its not easy being green*" (Walley, Noah and Bradley Whitehead, (1994)²⁵ in which it is mentioned that economic growth and environmental protection are inextricably linked.

One significant study was undertaken by Michael Porter in the area titled, "*Green and Competitive: Ending the Stalemate*" (Porter Michael E. and Class Van De Linde 1995).²⁶ Here, authors argued that how an industry responds to environmental problems may, in fact, be a leading factor of its overall competitiveness. Traditionally, nations were competitive if their companies had access to the lowest cost inputs like capital, labor, energy and raw materials. However over a period of time, it was found that the nations

and companies that are most competitive are not those with access to the lowest cost inputs but those that employ the most advanced technology and methods in using their inputs. The new paradigm of global competitiveness requires the ability to innovate rapidly. This new paradigm has brought environmental improvement and competitiveness together.

Very interesting and useful study was carried out in the year 1997, by Hart and Stuart, which is worth mentioning here titled "*Beyond Greening: Strategies for a Sustainable World*".²⁷ The authors herein argue that "Greening" has been framed in terms of risk reduction, re-engineering or cost cutting. Rarely is greening linked to a strategy or technology development and as a result, most companies fail to recognize the opportunities of potentially staggering proportions.

One research study had also been conducted with reference to "*Marketing of Electric Vehicles*". (Anita Garling and John Thogorsen 2001)²⁸ Although it is useful and gives insight about issues related to electric vehicles, results of this study cannot be generalized as it is conducted for a car and not a two wheeler. However, this study has definitely provided insight on problems pertaining to battery performance.

Now lastly, if we consider the case of India, literature survey reveals that negligible work is done in the area of developing green two wheelers, green marketing strategies for two wheelers or study of electric two-wheeler. Hence, as a researcher, it generated an in-depth curiosity and a need to conduct research in this area. This study was initiated and conducted with an objective of getting an insight about battery-operated two wheeler, assessing their market scope and inputs to design the most effective strategies for such two-wheelers since pollution is increasingly becoming a major area of concern today. Finally, sustainable greener innovations are required to be manufactured, tested and launched in India so as to limit the pollution levels leading to a better world for the present and the future generations to come.