

THE ROLE OF CSR AND GREEN MARKETING FOR SUSTAINABLE DEVELOPMENT IN INDIA

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Abstract

Corporate Social Responsibility has arisen as a pivotal strategy for companies aiming to integrate environmental concerns into their business. The main concept behind CSR is to anticipate the interest of society and aim to embrace responsibility for the impact of their activities on the environment, customers, suppliers, society, and future generations. In contrast 'Green Marketing' refers to the process of creating and promoting products and/or services that are environmentally friendly and sustainable and with no or little adverse effect on the environment. Green Marketing and CSR practices are crucial for sustainable development.

This research paper offers a thorough study of the relationship between CSR and Green Marketing, its historical progression, and the role of CSR and green marketing practices for sustainable development. This study is exploratory and descriptive and thus explores the CSR practices and initiatives taken top ten CSR spending companies in the sectors of education, healthcare, poverty, and environment. However, this paper also examined the green marketing strategies and initiatives adopted by companies in various sectors for environmental sustainability and sustainable development. This study has been found that companies spent a significant amount of their CSR fund on healthcare sector programs and least interested in programs for environmental sustainability. Sustainable development goals contain 17 goals that are related to social sectors such as health, education, poverty reduction, and environmental sustainability. Companies should align all these goals with their CSR projects and adopt green marketing practices to achieve the goals of sustainable development.

Keywords- CSR, Green Marketing, sustainable development

Introduction

The demand for sustainable development has been gaining momentum over the last few years, driven by growing environmental concerns among communities (Chen & Chang, 2012; Jhawar et al., 2012;

Leonidou, Leonidou, Fotiadis & Zeriti, 2013). The goal of sustainability is described as a development that involves developing a social and economic system that should be incorporated within environmental concerns. In the past few decades, environmental sustainability has become an emerging concern for businesses globally. CSR and Green Marketing have evolved as vital principles that organisations must adopt in today's society when environmental concern and social responsibilities are of foremost importance. Concurrently, Corporate Social Responsibility (CSR) has gained importance as a strategic approach for organizations to associate their operations with societal expectations and environmental responsibility. CSR comprises voluntary initiatives that extend beyond legal obligations, focusing on ethical behaviours, environmental sustainability, and society welfare. The concept of green marketing has occurred within this context, representing attempts by firms to market their products or services considering environmental benefits. Green marketing initiatives aim not only to meet consumer demand for eco-friendly products but also to enhance the company's reputation and make it more competitive. However, the success of green marketing strategies depends on the actuality and credibility of CSR practices undertaken by enterprises. This study intends to examine the relationship between green marketing and CSR, exploring its meaning, and analysing its role in sustainable development.

1.1 A historical view on Green Marketing and Corporate Social Responsibility

The term CSR is coined in the 1950s. CSR is defined as an activity that incorporates organisations for operating business under the principles of ethics and proper management by social and environmental responsibility (Carroll 2009). Some businesses started benevolent projects and charity organisations in the early 20th century to mitigate social difficulties (Shiri and Jafari-Sadeghi, 2023). In the 1970s and 1980s, there was an increasing awareness that organisations or Enterprises have ethical obligations toward society and the environment (Lieu et. al, 2023).

Green Marketing came in the 1970s in Europe when some products and business strategies were identified to be harmful to the Environment. Businesses now need to create and promote eco-friendly goods and services. In the 1980s, the term "Green Marketing" was formally introduced, and became popular as a marketing strategy. The evolution of Green Marketing had three phases. During the first phase of 'Ecological Green Marketing', all marketing practices were concerned with tackling environmental challenges outside its profit-making goals. The second phase 'Environmental Green Marketing' came with clean technology that introduced innovative ways of developing new products environmental pollution and waste issues. The third phase was 'Sustainable Green Marketing', it came in the late 1990s and early 2000s. This phase was inspired by the concept of sustainable development.

1.2 The link between Green Marketing and CSR

A firm's reputation and brand image can be enhanced by the fusion of green marketing and CSR. Businesses that include environmental and social obligations in their critical business procedures can enhance company reputation and customer loyalty. Adopting sustainable practices can also help in cost saving, reduction in resource wastage, and long-term business fortitude (Ahmed et. al, 2023). Green marketing is a combination of both ethics and CSR, as it assists businesses in becoming a socially responsible entity. Many companies that successfully adopted CSR and green marketing were (i) preserving natural resources, (ii) meeting their customer demand by providing quality goods and services, and (iii) providing a healthy work environment and surroundings to their employees. This has not only helped businesses earn profit but also achieve prestige in a way that benefits society.

Review of Literature:

Singh P. B. and Pandey Kamal K. (2012): In this research paper researchers have examined the relationship between green marketing practices and customer satisfaction, and explored the challenges and opportunities with green marketing. The Results found that Green Marketing has a positive impact on customer satisfaction and Environment. Green Marketing assures long-lasting profitability and sustainability. It delivers benefits such as reducing cost, reaching new markets, competitive advantage, boosting employee spirit, and customer satisfaction through eco-friendly goods and services. (Nguyen-Viet, 2023) At present time, the integration of CSR and Green Marketing is crucial for businesses. Concurrently, customers are more concerned about Environmental issues so they are paying more attention to what they buy and are attracting more attention to goods and services that communicate their environmental values. Stakeholders, Investors, and staff are encouraging organisations to adopt preventive actions to discuss social and environmental responsibilities. (Satapathy & Paltasingh, 2019) The result of this research paper revealed that CSR and SDGs have a positive relationship and their significant influence on each other. Adoption of CSR Practices by corporations helps to achieve SDGs and SDGs form CSR. Recognition of SDGs by companies is important for socio-economic development. Some organisations have adopted SDGs just to achieve their business goals and relinquish individual rights and environmental sustainability. Kumar (2019) in his article titled "Corporate Social Responsibility: An analysis of impact and challenges in India" concluded that companies adopt CSR practices for Societal development and act in an ethical, legal, philanthropic, and responsible manner. There is requirement to aware general public for effective implementation of CSR. Organisations, NGOs, and Government take efforts jointly that help India to faster sustainable development. Rai & Bansal (2015) explored the factors that explain CSR expenditure in India and found that organizations that earn higher profits spend more on CSR. The result of their study also revealed the nature of CSR activities based on the type of business. Medina-Muñoz, & Medina-Muñoz (2020) in their article titled "CSR for Poverty Alleviation: A integrated research

framework” explored how can companies contribute to poverty eradication through their CSR practices that do not focus on poverty. Still, there is increasing demand for organisations to be involved in Sustainable Development Goals, including poverty eradication. Ginsberg & Bloom (2004): According to their study they found consumers are more aware of Environmental Protection and they prefer more green products. An Extensive literature review shows marketers target the green product segment based on consumer preference towards green products.

Objectives:

The major objectives of the research paper are as under:

1. To study the relationship between CSR and Green Marketing for sustainable development.
2. To examine the role of green marketing for sustainable development.
3. To analyse the role of CSR for sustainable development.

Research Methodology

This study is exploratory and descriptive in nature and based on secondary data. I have collected the secondary data from related literatures, reputed journals, annual reports, and websites etc.

Findings and Analysis

Table 1: Green Marketing for Sustainable Development

Green marketing Initiatives	
Company	Initiatives for Environmental and Social Development
HUL	<ul style="list-style-type: none">• 97% reduction in CO2 emission in manufacturing process.• 48% reduction in water consumption in manufacturing operations.• 55% reduction in total waste generated from factories.• 44% reduction in total energy consumption.• Shakti programme empowered > 190000 shakti entrepreneurs.• Prabhat initiatives focus on economic empowerment, environmental Sustainability, Health, and nutrition.• 15% recycled plastic by 2025 and 100% of plastic packaging is fully recycled and compostable.• Help 2 million SMEs to grow their business by 2025.• Sanitation and hygiene initiatives.

Dabur	<ul style="list-style-type: none"> • 50% of total the energy used is from renewable sources. • 30% Reduction in water consumption in manufacturing operations by 2025-26. • 100% of tetra pak laminate and paper sourcing being done from FSC Certified Vendors. • 80% reusable, recyclable packaging by 2028. • Coal-free trials in operations in June 2023.
ITC	<ul style="list-style-type: none"> • 43% of energy comes from renewable sources. • 40 platinum-rated green buildings. • Sustainable livelihood supported 6 lakh people. • Over 11.2 lakh children benefited from primary education. • Launched Skill and vocational training programme and Over 1.2 Lakh youth enrolled. • Over 50 lakh women benefitted through Multi-dimensional Programmes. • 40 lakh farmers empowered through “e-chaupal” initiative.
Godrej Consumer Product Ltd.	<ul style="list-style-type: none"> • Stainable packaging; 34% of plastic is recyclable and compostable. • Innovating for making green products. • Elimination of Mosquito-Borne Endemic Diseases (EMBED) Program that is supported by Madhya Pradesh, U.P., and Chhattisgarh has reduced malaria incidence by 54% since 2015. • Recycle 535 tonnes of plastic per annum. • Launched the “EmpowerHer” program that conducts health camps for such as biases against women, menstruation, PCOS, and Mental well-being. It also ties in with healthcare professionals.
Colgate India Ltd.	<ul style="list-style-type: none"> • 89% increase in direct renewable energy consumption in FY 2022-23 compared to FY 2020-21. • Focus on recycling and reusing the waste generated at facilities. 92.3% of waste is recycled and 7% is reused. • 70% of packaging materials used in manufacturing units in FY 2022-23 is from renewable sources. • 80% of total packaging by weight recyclable in FY 2022-23.
Nestle India Ltd.	<ul style="list-style-type: none"> • Reduce consumption of natural resources, reduce energy usage by 36%, reduce water usage by 51%. • Use alternate fuel/ electric vehicles and bigger size vehicles for Logistics. • “Nastle Healthy Kids” initiative promoting healthier lifestyles among 466000 adolescents and 30000 parents across 25 states and Union Territories.

	<ul style="list-style-type: none"> • ‘Nestle Jigyasa’ project hands-on science education in 4 schools and across 2 states. • Creating access to clean drinking water for 150,000 students across 9 states. • Project “Jagriti” promoting healthier communities among 9.7 million beneficiaries in 10 states and Union Territories.
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Source- Compiled from Annual report of above companies

Table 1 contains initiatives and programs undertaken by the top Green Marketing companies for Sustainable Development. Above mentioned companies promote eco-friendly practices related to innovation in sustainable product design, programs for managing waste, reducing consumption of natural resources, ethics in production, sustainable packaging, waste reduction initiatives, usage of electric vehicles and big-size vehicles for logistics, initiatives for cutting their carbon footprint, etc. Along with this, for the development of social or community aspects, many programs and initiatives are taken by these companies like Women Empowerment Programmes, initiatives for the Healthcare sector, initiatives for education, initiatives related to sanitation and hygiene, and water saving initiatives, etc.

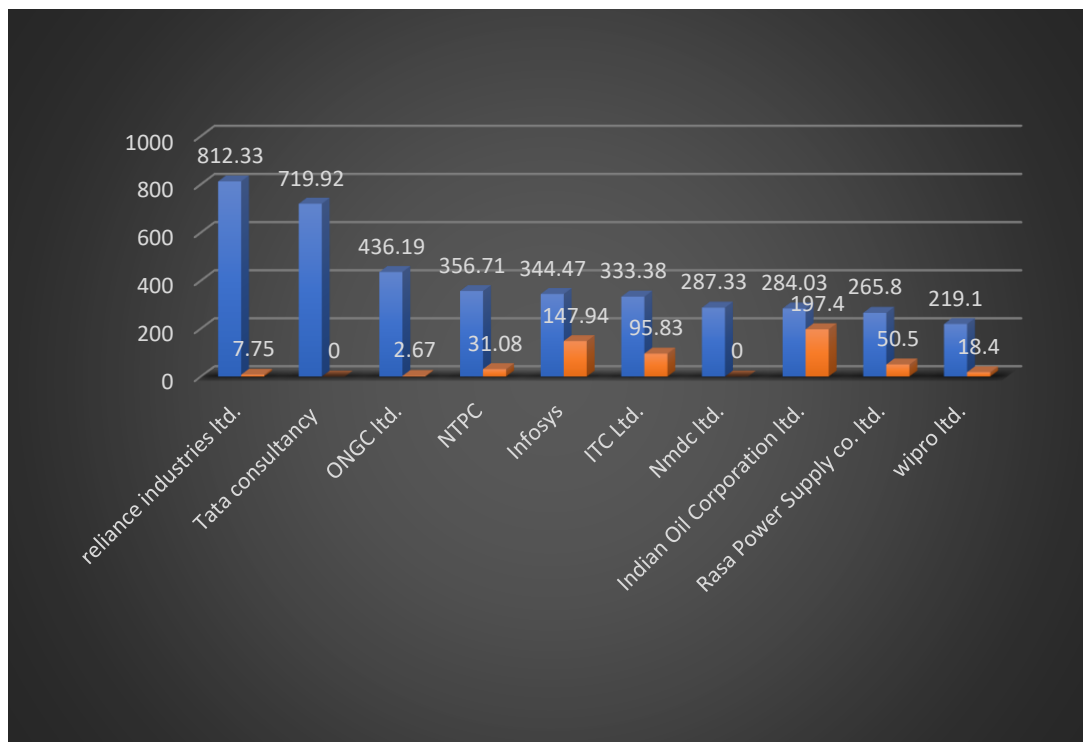
Table 2: Total CSR spent and contribution to Environmental Sustainability FY (2021-22)

Top 10 CSR contributing company FY 2021-22	Total CSR spent in crores	Contribution to Environment Sustainability out of total CSR spent	%
Reliance industries Ltd.	812.33	7.75	0.95%
Tata Consultancy services Ltd.	719.92	0.00	0.00%
Oil and Natural Gas Corporation Ltd	436.19	2.67	0.61%
NTPC	356.71	31.08	8.71%
Infosys Limited	344.47	147.94	42.95%
ITC Limited	333.38	95.83	28.74%

Nmdc Limited	287.33	0.00	0%
Indian Oil Corporation limited	284.03	197.4	69.49%
Rasa Power Supply Company Limited	265.8	50.50	18.99%
Wipro Limited	219.1	18.40	8.39%

Source- Ministry of Corporate Affairs

Figure 1: Total CSR spent and contribution to Environmental Sustainability by the top ten Indian companies



Source- Ministry of Corporate Affairs

Table 2 and graph 1 show the total amount of CSR spent by the top ten CSR-contributing companies in India and their contribution towards Environmental Sustainability. The data presents that the total CSR spent by these companies is between 219.21 crore to 812.33 crore. On the other hand, the percentage of CSR spent on environmental sustainability is quite low, with the maximum being 69.49% by Indian Corporation Limited.

Interestingly, Tata Consultancy Services Ltd. and Nmdc Ltd. did not contribute to environmental sustainability, even with spending a significant amount on CSR activities. However, companies like

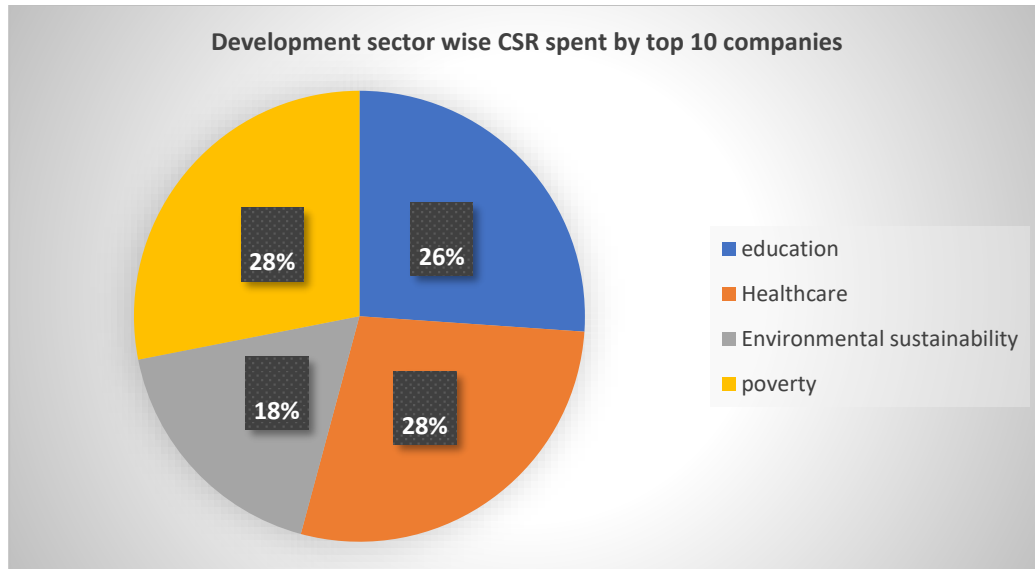
Infosys Ltd ITC Ltd., and Rasa Power Supply Company Ltd. spent a large percentage (42.95%, 28.74%, and 18.99% respectively) of their CSR funds towards environmental sustainability.

Overall, the table presents that there is a substantial difference in CSR spending patterns and contribution to environment sustainability of the top ten CSR-contributing companies in India. The result emphasized the need for companies to assign importance to environmental sustainability in their CSR activities regarding the environmental challenges faced by the country.

Table 3: Company wise data of CSR spent on Various Sectors (FY 2021-22)

s. no.	Company name	Thematic areas (amount spent in INR crore)			
		Education	Health	Environment	Poverty
1.	Reliance industries Ltd.	202.62	274.4	7.75	92.1
2.	Tata Consultancy services Ltd.	10.72	23.73	0.00	679.87
3.	Oil and Natural Gas Corporation Ltd.	193.01	118.14	2.67	0.00
4.	NTPC	109.9	18.51	31.08	64.47
5	Infosys Limited	34.65	50.04	147.94	0.00
6.	ITC Limited	24.42	52.57	95.83	0.00
7.	Nmdc Limited	14.47	85.52	0.00	37.34
8	Indian Oil Corporation Limited	38.29	180.96	197.4	0.09
9.	Wipro Limited	163.6	1.40	50.50	0.20
10.	Rasa Power Supply Company Limited	20.30	69.20	18.40	0.00
	Total amount (in crore)	811.98	874.47	551.57	874.07

Figure 2: Development sector wise CSR spent by top ten Indian Companies



From Table 3 and Figure 2, it can be seen that the maximum amount i.e. 855.96 crore has been spent in the healthcare sector and it holds 28% of total CSR spending in four sectors. The second highest spending i.e. 874.07 crore for poverty reduction which is also 28% of total spending for CSR in the four sectors consolidated, but it is the result of Tata Consultancy Ltd. CSR spent which contribute approx. 98% of its CSR spent amount in poverty reduction programs. The third important sector for the companies is education for which companies have spent 811.98 crore amount. and the last and smallest expenditure area for CSR by various companies combined is environmental sustainability for which companies have spent a total of 551.57 crore amount which is 18% of total spending for CSR.

From the above data analysis results can be said that selected companies spend the maximum amount of their CSR contribution on the Healthcare sector's projects. Healthcare is the top priority for the companies for CSR spending, poverty reduction is the second priority, education is the third, and environmental sustainability has been the last priority for the top ten selected companies in terms of CSR. According to Table 2, the least concerned sector for the top ten companies has been environment sustainability and the percentage of CSR spent towards environment sustainability is comparatively low from other sectors. And in terms of CSR spent, the Environment sector has been given only 18% of their CSR spent. Tata consultancy Ltd. And Nmdc Ltd. Have not spent any amount on Environmental Sustainability programs but Infosys Ltd., ITC Ltd., and Indian Corporation Ltd. Spent a significant of their CSR fund on projects related to Environmental Sustainability. The second least concerned sector for the top ten companies has been the Education sector, only 26% share of the CSR spent. Reliance, ONGC Ltd, NTPC Ltd. And Wipro Ltd. Have been spent huge amount of their CSR contribution in the Education sector and Tata Consultancy Ltd. has been spent least amount in Education sector, while CSR spent amount of this company is

significant. Again the second most concerned sector for the top ten companies has been the Poverty sector. Figure 2 show that 28% of total CSR spent has been spent in poverty reduction programs. From table 2 it can be seen that only four companies which are ONGC Ltd., Infosys Ltd., ITC Ltd, and Rasa Power Supply Company Ltd. did not undertake any initiatives for poverty sector which means these companies are least interested in poverty reduction programmes. The highest amount of 679.87 crores has been spent in the sector of poverty by Tata Consultancy Services Limited. And the top priority for the companies has been the healthcare sector which holds 28% of their total CSR expenditure. And all the ten selected companies undertaken programs or initiatives for the Healthcare sector. From the analysis of CSR expenditure pattern of studied companies, it has been found that CSR contribution are mostly concentrated in only few sectors which might be because of various reasons such as firm size, profitability, and environmental performance and type of business etc. The firm earning higher profits often contribute more for CSR which could also help in strengthening the organisation's image (Rai and Bansal, 2015).

Conclusion:

CSR and Green Marketing have evolved from niche concepts to critical aspects of modern corporate strategies. Organizations are commencing to perceive the benefits of sustainability as a fundamental principle that is crucial for capturing the reliance and loyalty of consumers who are concerned about environmental impact. The historical view focuses on the integration and development of CSR and Green Marketing, highlighting their role in tackling environmental and social challenges. Green marketing initiatives studies have shown how the adoption of sustainable practices by businesses not only improves company and brand image but also contributes to environmental and social development. Businesses must look at green marketing strategies as an investment in the long term instead of just an expense to balance profitability with sustainability goals.

From the above study of CSR spent by the top ten Indian companies it can be concluded that most of the CSR expenditure is done in the healthcare sector, the second priority for poverty reduction, the third highest spending has been the Education sector, and the least spending in environmental sustainability sector. Organizations should incorporate society at the need recognition stage, strategy formulation, and implementation so that development programs are formulated based on societal needs and implemented in holistic and Sustainable Development. Environmental Sustainability which is a matter of apprehension at the current time has not been allocated with adequate funds from CSR amount spent by studied top ten CSR companies. There is a need for organisations contribute more share of their CSR expenditure in the Environment and other sectors that serve to environmental and social development. In 2016 Sustainable Development Goals were adopted by the government of India and it contains 17 goals which are related to many sectors such as Education, Healthcare, Poverty reduction, and environmental sustainability.

Considering all these goals Organisations should integrate their CSR practices to achieve the goals of sustainable development.

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