



IMPACT OF GREEN MARKETING ON INDUSTRIAL SECTOR CONSUMERS: A Case Study of ITC Limited

Rohit Kumar

Galgotias University, India.

ABSTRACT:

This study examines how green marketing affects consumer attitudes and behavior within the industrial sector, focusing specifically on ITC Limited as a representative case. Adopting a mixed-method research design, it evaluates how ITC's sustainability-driven marketing initiatives shape brand image, consumer loyalty, and competitive positioning. The research draws on survey data from 100 participants, complemented by secondary sources and a SWOT analysis. Findings indicate a clear correlation between environmental awareness and consumer preference for sustainable brands, although challenges such as limited consumer knowledge and pricing issues persist. The study concludes with actionable recommendations, including public education campaigns, clear product labeling, and pricing reforms to enhance green product adoption.

Keywords: Sustainable marketing, ITC Limited, green consumerism, eco-conscious behavior, environmental branding, India, industrial sustainability

1. Introduction

Worsening environmental conditions, climate instability, and dwindling resources have pushed businesses toward adopting sustainable operational models. Green marketing has emerged as a vital strategic approach aimed at promoting products and practices that are environmentally responsible. As global demand for sustainability grows—driven by government mandates, climate targets, and rising eco-consciousness among consumers—industries are increasingly turning to green marketing to remain relevant and competitive.

This paper centers on how the industrial sector is responding to this shift, with ITC Limited serving as a primary case study. It explores how ITC's eco-friendly initiatives impact consumer perception, influence buying decisions, and reshape brand engagement. Today, green marketing is not merely an optional corporate social responsibility (CSR) activity—it is a crucial element of modern industrial strategies.

In an age marked by environmental crises, pollution, and resource scarcity, green marketing transcends traditional advertising tactics and embodies a broader business ethos. It involves promoting sustainable goods and services while demonstrating a commitment to environmental stewardship and resource efficiency. With the advent of green consumerism—where sustainability is a key factor in purchasing decisions—companies are compelled to incorporate eco-consciousness into every aspect of their supply chains. Furthermore, international frameworks like the Paris Climate Agreement and regulatory policies such as India's Extended Producer Responsibility (EPR) norms have intensified the push toward greener innovations. This paper delves into the relevance and impact of green marketing in the industrial landscape, focusing on ITC Limited as a leading example.

2. Study Objectives

- To explore the origins and development of green marketing as a business approach
- To evaluate how green marketing influences consumer attitudes and decision-making
- To examine ITC Limited's sustainability initiatives and assess their effectiveness
- To identify obstacles in implementing green marketing and recommend practical solutions

3. Review of Literature

Green marketing is widely regarded as a strategy for promoting socially and environmentally responsible business practices. According to foundational works by Peattie (1995) and Polonsky (1994), green marketing involves minimizing ecological harm through sustainable operations and product development. Elkington's (1997) "Triple Bottom Line" concept—focusing on People, Planet, and Profit—provides a comprehensive framework to assess the broader impact of corporate initiatives beyond financial performance.

Kotler and Keller (2016) argue that sustainability-oriented companies can enhance consumer trust, lower long-term costs, and tap into ethically driven markets. However, they also caution that green marketing faces significant barriers, including consumer mistrust due to greenwashing, elevated production expenses, and limited awareness, especially in developing nations (Delmas & Burbano, 2011).

Kumar and Polonsky (2019) underscore the importance of transparency, innovation, and consumer education in the Indian context to promote the uptake of eco-friendly products. They suggest that strategic communication and infrastructural support are crucial for overcoming resistance in emerging markets. Over time, green marketing has moved from the periphery to the core of business strategy. Peattie (1995) highlighted it as a coordinated approach to ensure environmental compatibility across business processes. Polonsky (1994) emphasized the risks of misleading claims and advocated for honest, verifiable environmental messaging.

Kotler and Keller (2016) noted that a brand's green credentials are only as strong as their authenticity in the eyes of consumers. Elkington's Triple Bottom Line continues to influence business models that aim for a balance between economic, environmental, and social goals.

In the Indian scenario, as Kumar and Polonsky (2019) observed, although public awareness is improving, the journey toward sustainable consumption is hindered by economic and systemic challenges. ITC Limited, through efforts such as the e-Choupal initiative and eco-certified products, exemplifies the shift from regulatory compliance to proactive sustainability leadership.

4. Company Profile



Introduction

ITC Limited stands as one of India's leading private enterprises, with a broad footprint across industries such as Fast Moving Consumer Goods (FMCG), hospitality, paper and packaging, agribusiness, and information technology. With its headquarters in Kolkata, West Bengal, ITC was founded in 1910 under the name Imperial Tobacco Company of India Limited. Since then, it has transformed from a tobacco-centric business into a diversified conglomerate recognized for its focus on sustainability, innovation, and nation-building efforts.

In 2001, the company rebranded itself as ITC Limited to better reflect its multi-industry presence and strategic shift beyond tobacco. Within the FMCG segment, ITC has built a strong brand portfolio that includes household names like Aashirvaad, Sunfeast, Bingo!, Classmate, Yippee!, Fiamma, Vivel, and Savlon. While it has diversified considerably, ITC remains a dominant player in the cigarette market with long-standing brands such as Gold Flake and Navy Cut.

A hallmark of ITC's business strategy is its deep integration of sustainability into core operations. The company adopts the "Triple Bottom Line" framework, which balances economic growth with positive social and environmental impact. Notable green initiatives include large-scale programs in watershed management, afforestation, waste reduction, and carbon footprint minimization.

Beyond commercial success, ITC is widely acknowledged for its contributions to social development. Through platforms like e-Choupal, the company has empowered rural communities by providing farmers with access to vital market information and agricultural inputs, thereby improving livelihoods and productivity. This tech-enabled model illustrates ITC's commitment to inclusive growth and rural upliftment.

Owing to its continuous emphasis on responsible business practices, innovation, and sustainability, ITC has earned a reputation as one of India's most trusted and respected corporations. Its dedication to aligning business goals with environmental preservation and national progress positions it as a leader in corporate governance and sustainable development.

Notable Sustainability Initiatives by ITC

- **Classmate Notebooks:** Produced using elemental chlorine-free paper and sustainably sourced raw materials to reduce environmental impact.
- **Aashirvaad Organic:** Supports environmentally friendly farming by encouraging organic agricultural practices.
- **e-Choupal:** A digital tool that provides farmers with real-time market insights and promotes sustainable farming methods.
- **Renewable Energy Usage:** More than 40% of ITC's total energy requirement is met through renewable sources.

These initiatives form part of ITC's comprehensive green marketing approach, which helps set the brand apart while aligning with both domestic and international environmental goals.

5. Research Methodology

- **Research Design:** Descriptive
- **Methodology:** Mixed-method approach (combining both qualitative and quantitative data)

- **Sample Size:** 100 respondents, including students, working professionals, and environmentally conscious consumers
- **Data Collection Tools:** Online surveys via Google Forms, analysis using Microsoft Excel, and secondary data from industry reports and academic literature

6. Analysis and Key Findings

1. Demographic Overview

- **Age:** Nearly half (48%) of the participants were between 18 and 25 years old, indicating that younger demographics are more responsive to green marketing efforts.
- **Gender:** Female respondents slightly outnumbered males, suggesting a potential gender-based variance in environmental interest.
- **Occupation:** Students (30%) and professionals (32%) formed the bulk of the sample, showing that individuals in early career stages are key audiences.
- **Income Level:** The ₹30,000–₹50,000 bracket accounted for 28%, indicating middle-income groups are relatively more eco-aware.

2. Awareness of Green Marketing

- Just 25% of respondents fully understood the concept of green marketing, with 36% having partial knowledge. This highlights a significant gap in awareness that could hinder adoption.

3. Consumer Behavior on Eco-Friendly Products

- Only 38% reported purchasing green products, with the remainder either unsure or unfamiliar.
- Environmental concern (37%) was the top driver, followed by product cost (26%) and quality (24%).
- A mere 13% considered brand reputation, indicating a need for stronger environmental branding.

4. Perceptions of ITC's Green Strategy

- 39% had a favorable opinion of ITC's sustainability efforts, while 27% were unaware, suggesting a need for better communication.
- Among ITC's green offerings, Classmate was the most recognized (45%), followed by Fiama/Vivel (26%) and Aashirvaad Organic (17%).

5. Impact and Consumer Opinions

- 47% believed green marketing enhances brand value.
- While only 26% were prepared to pay a premium, 47% expressed openness depending on other factors, indicating that price is a concern but not a barrier.

7. SWOT Analysis of ITC Limited

- **Strengths:** Diverse product portfolio, strong brand recognition, and deep-rooted sustainability initiatives
- **Weaknesses:** Continued dependence on tobacco products and high operational costs in hospitality
- **Opportunities:** Growing demand for organic goods and untapped potential in digital and rural sectors
- **Threats:** Regulatory changes, intensifying market competition, and fluctuations in pricing

8. Recommendations

- Launch targeted awareness campaigns through online and social media platforms
- Enhance product labeling to clearly communicate environmental benefits
- Introduce cost-effective green alternatives to attract price-sensitive consumers
- Partner with non-governmental organizations to promote education and sustainability outreach

9. Current Trends in India's Green Marketing Landscape

- Increasing eco-awareness, particularly among younger consumers
- Government policies pushing for sustainable industrial practices
- Surge in digital green campaigns and socially responsible investing
- Persistent barriers include high product costs and lack of widespread awareness

Conclusion

When implemented with sincerity, green marketing can lead to substantial benefits including enhanced consumer trust, stronger brand loyalty, and a distinct market edge. ITC Limited has emerged as a leading example of this approach in the Indian industrial landscape. Through initiatives ranging from eco-conscious packaging to rural empowerment via platforms like e-Choupal, ITC illustrates how sustainability can be embedded into every layer of business operations.

The findings of this study affirm that green marketing is not merely a passing phase but a critical element of modern business strategy. ITC's journey shows how consistent sustainability efforts can elevate brand value, foster consumer engagement, improve internal efficiencies, and appeal to investors focused on Environmental, Social, and Governance (ESG) standards.

Nonetheless, barriers remain. The research indicates that only a quarter of participants were well-versed in green marketing, and nearly half were undecided about paying a premium for environmentally friendly products. These figures highlight the need for enhanced consumer outreach, better education on environmental issues, and pricing strategies that balance sustainability with affordability.

Ultimately, green marketing should be seen as a core business philosophy rather than a promotional tactic. ITC's case study proves that businesses that truly commit to sustainable innovation can contribute meaningfully to environmental well-being while securing long-term market success.

11. REFERENCES :

1. Peattie, K. (1995). *Environmental Marketing Management*.
2. Polonsky, M. J. (1994). *Electronic Green Journal*.
3. Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson.
4. Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*.
5. Delmas, M., & Burbano, V. (2011). *The Drivers of Greenwashing: Why Firms Misrepresent Their Environmental Performance*.
6. ITC Sustainability Reports (2022–2024). Retrieved from www.itcportal.com
7. Ministry of Environment, Forest and Climate Change, Government of India. (2023). *Annual Report*.
8. Kumar, V., & Polonsky, M. J. (2019). *Green Marketing in India: Challenges and Opportunities*.