

# Green marketing innovations in small Indian firms

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## Abstract

**Purpose** – The purpose of this paper is to explore green marketing innovations in small Indian firms which serve as decisive dimensions for developing green identity of small firms in the market.

**Design/methodology/approach** – Data were obtained by interviewing marketing managers for green products in small Indian firms.

**Findings** – 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.

**Research limitations/implications** – Though limited to small Indian firms, this study determined their distinct green marketing approaches and innovations.

**Practical implications** – The distinct green marketing approaches and innovations determined indicate that contemporary marketing innovations and decisions have moved beyond limited alternatives predetermined by product and market definitions, and downstream market-related activities such as advertising, packaging, selling or distribution, and are now based on compliance, commitment and leadership in context of small firms.

**Originality/value** – This study is unique to employ natural resource-based view theory in context of determining green marketing innovations in small firms.

**Keywords** India, Sustainable development, Small firms, Green marketing, Green marketing innovations, Natural resource-based view theory

**Paper type** Research paper

## 1. 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).

Eventually, the focus of small firms on product innovations and developing-related marketing innovations are witnessed remunerative (Salavou and Avlonitis, 2008). This has motivated them to undertake social and environmental responsibilities to develop several green marketing innovations which result in gaining competitive position in the market. So, they develop marketing orientation in their core environment management practices (Brammer *et al.*, 2012), and introduce changes in purchasing, production and environment management processes (Lee, 2009; Cote *et al.*, 2008). This results in several green marketing innovations which serve as dimensions of their competitive advantage. This study intends to explore these green marketing innovations which serve as decisive dimensions for developing green identity of small firms in the market.



## 2. Literature review

The literature review first reviews literature on green marketing in small firms. Further, it explains how marketing innovations evolve from within and external to the organizations in context of small firms and then, it establishes need for this study.

### 2.1 *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 caters to developing three strategic capabilities, i.e. pollution prevention, product stewardship and sustainable development. First, pollution prevention strategy controls 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 generated that results in better utilization of inputs, lower cost of waste disposal. Thus, it offers firms significant cost savings, and increases productivity and efficiency in manufacturing processes. Second, product stewardship strategy integrates 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 raises a firm's expectations for better performance to competitors. It is further asserted that the relationship between a firm and the natural environment is an important source of competitive advantage (Menguc and Ozanne, 2005).

In context of small firms, considerable responses are witnessed for proactive environmental behaviour (Worthington and Patton, 2005). Largely driven by regulatory compliance, small firms have recognized commercial benefits of addressing environmental issues arising from their business activities (Clemens, 2006; Worthington and Patton, 2005). Though a sufficient number of studies have focused upon green marketing practices and innovations in companies, and their strategic importance (D'Souza *et al.*, 2015; Kumar, 2014; Ko *et al.*, 2013; Leonidou *et al.*, 2013; Vaccaro, 2009; Wong *et al.*, 1996), our knowledge of factors shaping green marketing decisions and practices of small firms is relatively underdeveloped.

### 2.2 *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 and Stern (1963) who depicted innovation as a changing phenomenon in the field of marketing. Innovation paradigm of marketing focuses upon what actually marketers do in holding their responsibilities of guiding innovations. It deals with developing and exploring new marketing procedures to generate 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 innovations are related with change in a firm's business objectives and their revision, product development and regular modification as per market demands, and maintenance of good relations with the society and other stakeholders (Silk and Stern, 1963). Since marketing innovation covers the entire function of marketing, and its organization and management, it is required to exploit the concept to develop productive problem-solving approach and producing novel marketing decisions (Simmonds, 1986). This forms the basis for the study.

Generally, marketing innovations are focused upon fundamental 4Ps of marketing. In other words, market competition is based on products, their pricing and distribution communicated through several communication channels. Fundamentals of marketing are found easily applied to addressing environmental issues while selecting marketing strategies and practices (Steger, 1996). But this is not applicable in the case of small firms due to economic and resource constraints and their marketing innovations are way different from the traditional marketing innovations. There are several reasons that support this argument. For small firms, developing turnover is an important short term goal and firms' attention is generally directed towards generating sales (Krake, 2005). Further, they lack financial and other resources to carry out marketing innovations similar to those by the firms with greater access to the resources. Small firms are found to encounter marketing as most dominant problem due to lack of resource constraints (Huang and Brown, 1999). Marketing in small firms is seen as costly to implement, time consuming and requires special expertise.

Their marketing activities aim at insulating themselves as much as possible from direct competition with firms with larger sizes (Rhys, 1989). Their marketing innovations are based upon day-to-day survival rather than following a well-structured marketing plan (Scase and Goffee, 1982). Since innovations can be achieved with limited resources (Wagner and Hansen, 2005), small companies tend to develop unique marketing solutions to gain competitive advantages. Proactive and defensive strategies are described as two prominent strategies in small firms which include product development and modifications, and use of process technologies and management practices to increase their overall effectiveness and to meet market demands (Chen *et al.*, 2012; O'Regan and Ghobadian, 2005). Still marketing in small firms is limited to small incremental changes in their approach towards the market. It incorporates innovative developments in other non-core aspects of marketing and to address market requirements by altering their marketing practices (O'Dwyer *et al.*, 2009, 2011). Further, they are faced with typically different requirements with respect to marketing as they operate in different market and competitive circumstances than the firms with larger sizes (McCartan-Quinn and Carson, 2003). The benefits of less goal conflicts, flexibility and the ability to more quickly respond to changing market requirements than the larger firms demand developing marketing innovations differently. Thus, it indicates that small firms develop unique and creative innovations in marketing differently than those of large firms.

Marketing innovations of small firms prove meaningful for their several strengths. Small firms have flexibility, customer-orientation, close relationship with their customers and an ability to react more rapidly to new situations than their larger counterparts (Hansen *et al.*, 2002). Small firms are known to maximize their resources aligned with customer needs so as to improve their competitiveness and overall profitability. Flexibility associated with small sizes of small firms is advantageous for them to deal with the green challenges through implicit and reactive actions that facilitate small incremental change to gain marginal benefits (Noci and Verganti, 1999).

### 2.3 Need for the study

Though the importance of small firms to the economy is largely acknowledged in the recent 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 limited number of studies have explored marketing innovations and their sources. For instance, Halpern (2010) identified modifying products and using strategic

marketing partnerships as the most common sources of marketing innovations and these marketing innovations have positive effect on marketing performance of firms. Though literature lacks specific papers on green marketing practices and innovations in small firms, inferences can be drawn by relating prominent literature on green marketing strategies and green innovations in small firms.

### 3. Methodology

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

#### 3.1 *Objective of the study*

Objective of the paper is to explore green marketing innovations in small Indian firms which serve as decisive dimensions for developing 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 significant contribution by exploring green marketing innovations in small Indian firms.

#### 3.2 *Scope and methodology*

This study is exploratory in nature and examines green marketing innovations in small Indian firms. It adopts methodological approach from recent interview-based studies published in *Management Decision* such as Akhter and Barcellos (2013) and Owens (2007). For this study, the researcher conducted field interviews of marketing managers involved in marketing of green products in small firms. Qualitative interviews are beneficial for researchers due to the fact that it provides 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 guided by interview protocol developed to maintain consistency in data collection and to improve reliability (Alam, 2005; Thomas, 1995; Yin, 1994; McCracken, 1988). The sampling frame consists of small Indian companies in western India engaged in manufacturing and marketing of consumer products. Only those companies were contacted for the survey who were found engaged in green marketing practices. To identify this, web site of each company in the Indian databases was accessed to find out whether they contained information related to their green products. Green marketing-related keywords were used to retrieve the information.

In the interview process, the researcher was allowed open access to each small firm that responded for the survey. The researcher explained each respondent the purpose of this study before the interview and sought sincere answers to the questions, stressing that all answers were treated in the strictest confidence. The respondents who agreed for the interviews were initially sent the research proposal and its objectives along with a summarized overview so that at the time of interview, they have collected the information relevant to the objectives of the proposal. If the interviewees had any question regarding the research or the interview itself they were more than welcome to contact the researcher. It is important to mention that respondents were promised to keep the responses anonymous. It resulted in receiving their cooperation and encouraging their openness. A total of 57 marketing managers were involved in the study that were perceived to be a key part of marketing process at their respective companies. The respondents generally belonged to middle and senior level managers in marketing department. Duration of each

interview varied from 30 to 45 minutes. Many of the interviews were audio recorded with suitable permission of the respondents and others were recorded in form of written notes. Though interviews were the main source of data, other sources such as internal archival and public archival data served as important triangulation and supplementary sources. In other words, appropriate in-company documents such as memoranda, newsletters, manuals, and product brochures and catalogues published between 2003 and 2013 were also collected to examine, verify and analyse for relevant information.

The conceptualization of green marketing guided the theme for the interviews that intended to explore green marketing innovations through several marketing approaches for green products and differentiation elements in green marketing practices. The respondents were not confined to a set of questions and were given freedom to openly express their thoughts on green marketing innovations. The respondents were allowed to speak freely and adapt to every topic at hand, asking follow-up questions when the time was appropriate while driving the interview in the right direction.

### *3.3 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 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 key studies in India such as Pillania (2008). The list strictly followed the range for selecting the firms. Further, the firms who responded and participated in the data collection procedure belonged to either of 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).

### *3.4 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 chunks of unique categories to understand the emerging concepts 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 incorporated in final discussion of the paper. Also, comments on the paper were sought from two academicians with expertise in qualitative research and the subject area.

## **4. 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. Though exploring the reasons for the argument is not within the scope of this paper, it is obvious that small Indian firms have developed distinct innovative ways to sustain themselves in the competitive market and to develop suitable green marketing innovations that intend to

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serve as competitive advantage. The green marketing innovations identified amongst 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 integral 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 voluntary standards, and standards established by national and local governments. It is related to chemical substances in products, recycling and disposal of used products, energy consumption and efficiency and environmental information disclosure. The firms also promote themselves for their consistency of carrying out internal and external audits, and their reports. They also communicate their incremental performance in their operations related to procurement, manufacturing and logistics. Further, complying with greenhouse gas emission regulations and ISO 14001 legal requirements, and approval by regulatory bodies are other such examples. They develop and update their indices, or follow the relevant indices to provide comparable environmental information that indicates the connections with corporate strategy and explains capability of environmental information to improve corporate performance. It also involves obtaining the latest news on environmental laws and regulations from the region of operation and exchanging information with other firms in the same industry so that specific product response policies can be established in accordance with the laws. To strengthen this, they form working groups that include representatives from departments of technology, development/design and sales. Members of the groups gather, interpret and share information on current and future laws, establish reasonable response policies and confirm response progress. They search law and compliance guides, and learn about laws that apply specifically to small business and their product categories. Further, their proactivity in conducting training programmes for their internal environmental auditors enables them to gain the environmental risk detection skills and understanding of various environmental laws, and thus, improving their overall environmental audit capability. These activities are intended to identifying and responding to environmental issues beyond meeting regulatory obligations and looks for further improvements to benefit the company as well as the environment. Thus, the strength of their green marketing plan lies in monitoring regulatory developments, anticipating appropriate responses to meet environmental obligations and developing an understanding of the latest environmental policies and guidance.

(ii) *Marketing strategic partnership*: strategic partnership is another important category of green marketing innovations in small firms that builds on firms' commitment to environmental stewardship. It deals with promoting partnerships built with other firms to focus on shared priorities so that collective environmental performance goals can be set and achieved. Small firms intend to develop 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, enhances their relationship and highlights success stories to emphasize value created by the partnership. They partner with design companies to learn about sustainable design and related regulations, and their environmental, social and economic benefits. Similarly, collaborations to recycle or dispose of waste help them reduce their carbon footprint. This way, they develop solutions to streamline and replace resource-intensive processes. Also, they partner with leading players in the industry to initiate and implement environmental projects that

improve their visibility in the market. They also become members of the industrial societies and networking groups dedicated to engage industrial players, customers and academicians for developing creative solutions to improve business environmental performance.

In green marketing innovations of small firms related to strategic partnership, the firms exhibit how working closely with business partners create better facilities management, generate savings, increase productivity and improve environmental performance. They also highlight how partnerships for databases enable them to record, track and report on their environmental performance in a detailed manner which can be easily accessed by their internal and external auditors. This also explains how they will continue to work with their trading partners on environmental solutions. They promote how strategic partnership has offered them leadership and power support for innovations that maintain a balance between economic growth and environmental sustainability. They also communicate how it has reduced environmental improvement actions required by them to improve environmental performance in specific targeted areas, and also enabled them to measure, verify and publicly report environmental performance. Thus, the firms communicate to their customers and other stakeholders how the results-oriented strategic partnerships have enabled them to build on firm's capacity, environmental strategies and policies through setting several environmental performance goals for responsible approach to business and to achieve environmental goals.

(iii) *Marketing environmental commitment*: environmental commitment deals with developing corporate strategic plan that establishes medium- and long-term environmental vision, and environmental goals and targets. It expresses their environmental policies associated with their vision and value statements, and focuses upon how the environmental policies are communicated across the firm and extended to their business partners. It is related to communicating and implementing environmental policies, and conducting environmental audits and progress reviews against strategic business plan and environmental goals. This provides appropriate guidance, information and training to the employees for promoting environmental awareness, sufficient clarity in their roles, responsibilities and effectiveness in protecting the natural environment. This enables them to effectively administer and act timely to make operational changes for positive impact on the environment meeting present and future operational standards and to minimize adverse environmental impacts of our operations. The corporate strategic plan also includes several environmental principles such as prominence of environmental protection to achieve contemporary business objectives, exemplary actions of managers with responsibility, effective communication of environmental procedures and audit activities across the organisation and adopting latest technological standards in introducing new procedures to achieve continuous improvements for environmental protection. This ensures compliance with environmental regulations and corporate standards resulting in minimizing their environmental liabilities and developing an environmentally friendly public image.

Green marketing innovations of small firms related to environmental commitment elaborate how their environmental commitment has enabled them to achieve the goals of reducing environmental impact of their products such as meeting safety and regulatory requirements, designing energy-efficient and recyclable products, and incorporating operations waste minimization, energy conservation and recycling programmes. The firms exhibit how their environmental commitment has guided them for continuously improved environmental performance and minimized their environmental liabilities. They also

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express how their environmental commitment leads to the continual improvement of their corporate services and policies, to control their significant environmental impacts and to change their focus from reacting to incidents to proactive prevention.

(iv) *Marketing green team*: green teams deal 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 appointed 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 accountable for the delivery of environmental policy, and the team of employees is responsible for initiating, participating and assessing a range of environmental projects. With leadership support, a green team builds environmental initiatives starting with small internal operations to bigger formal programmes to develop firms' institutional capacity around sustainability. It assesses current state of the firm(s), brainstorms possibilities of environmental improvement, defines time-specific goals and creates and executes action plans. It begins with setting smaller goals in the beginning those are easy to achieve such as increasing recycling efforts and environmental education. It further establishes environmental management system as a specific procedure and applies environmental regulations to improve environmental performance of the firm(s). Everyone engaged in the activities is rewarded for their efforts, and each goal achieved is celebrated and communicated through newsletters, posters, meetings and events.

It also schedules regular meetings with top leadership as well as operational staff to discuss environmental processes, to evaluate opportunities, to share innovative ideas and to develop future environmental plans on how firms' financial, social and environmental performance can be further improved. It revisits the team's mission statement and goals, and assesses and revises them based on changing circumstances across the firms. The assessment reviews the possible impact, both good and bad, of a specific project on the environment and ensures the decision makers consider the environment when carrying out a project. This shows employees' rise to work in favour of the environment, and the firms' commitment to channel and harness their desire to support them for firms' environmental vision and broader corporate goals.

Green marketing innovations of small firms related to green teams contain elaborations on the ways their green teams voluntarily come together to educate, inspire and empower employees around sustainability and thus to implement specific solutions to operate in environmentally friendly ways. It encompasses how efforts of green teams focus their efforts on integrating sustainability into corporate activities and result in achieving corporate sustainability objectives and environmental goals, and value creation for the firms. It also exhibits how visibility and transparency to firms' environmental initiatives are ensured by the green teams within and across firms, and how engagement in the process of environmental sustainability and learning is recognized in auditors' comments and testimonials.

(v) *Marketing benchmarking*: benchmarking deals with comparing environmental, social and economic performance of small firms to that of industry standards and best practices, and assessing and improving them quantitatively. It examines best environmental practices and environmental performance indicators which lead to superior environmental and economic performance. It encompasses all the areas of firms' activities rather than the ones that have an obvious environmental impact. The firms



classify the goals in standard categories and perform simple analytics that make it easier for them to benchmark their goals against others in the industry. The firms also develop or adopt tools to capture data related to environmental metrics such as energy use and waste which have positive effect on firms' bottom-line performance. This, in results, provides fresh insights into firm-level practices, identify bad practices and poor performance, find sources for improvement, accelerate changes by using validated methods, and develop environmental goals and clear strategic action plans for achieving benchmarks.

In green marketing innovations related to benchmarking, small firms elaborate how placing operational results against similar operations has enabled them to identify areas in which an operation can improve performance or exceeds the industry norms. They also show how benchmarking enabled them to develop product standards with regard to sustainability, and to meet product and packaging goals, and operational goals (recycling and sourcing, etc.). Thus, performing competitive analyses, and developing an understanding of industry trends and best practices within the industry enable them to develop success stories for their green marketing plans.

(vi) *Marketing (environmental) ethical behavior*: environmental ethics is based on environmental code of conduct that addresses firm-level practices around safety and protection of diversity of the natural environment. This sets firms' expectations from their employees and environmental ambitions, and communicates how the employees should behave if confronted with environmental issues. It also covers information pertaining to relationships with suppliers and customers for environment-related privacy and confidentiality. It aims at developing and adopting policies that reflect a set of voluntary commitments to create an ethical environment. Further, it focuses upon developing communication plan that reminds employees for availability and accessibility of the resources, and communicates firm's compliance and disciplinary processes. It also encompasses conducting ethics training to raise awareness related to environmental ethics, to highlight practical application of the codes, and to reinforce a firm's requirement for ethical behaviour. Conducting ethical training at regular interval updates information and reinforces desired behaviour, and facilitates asking questions about ethical dilemmas and reporting suspected unethical behaviour.

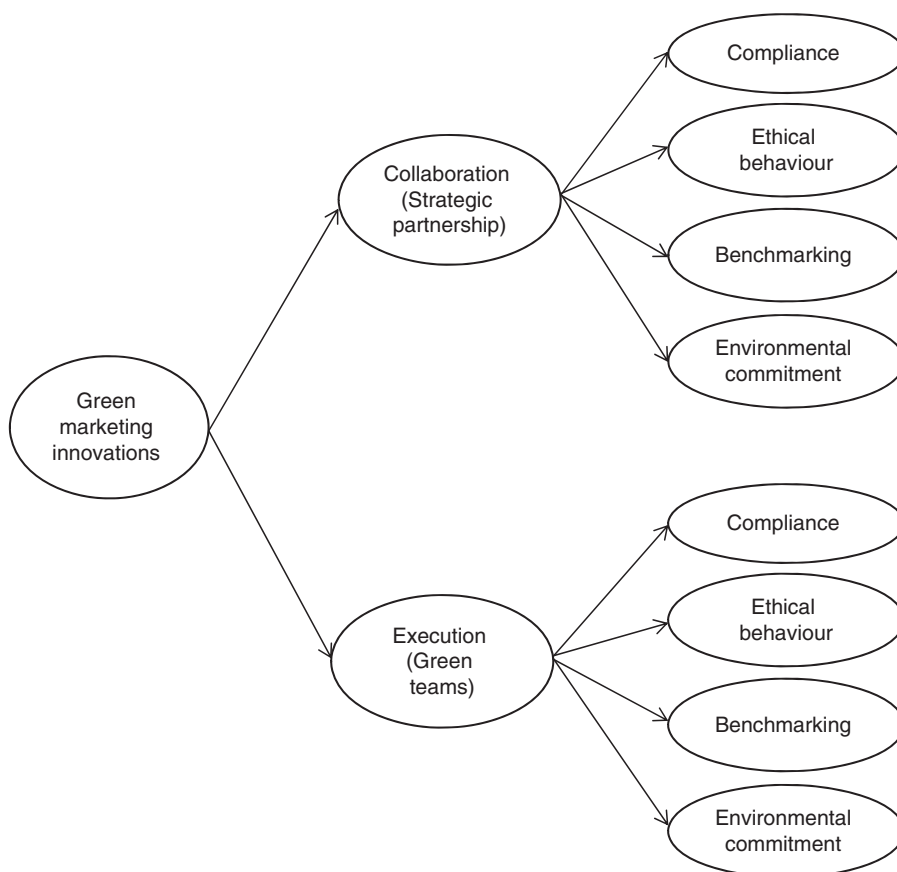
Small firms in their green marketing innovations related to environmental ethics cover how environmental code of conduct, and the measures for employee compliance and accountability guide employees' decision making and actions. They also elaborate how policies adopted by them ensure continuous improvement in ethical programmes and their effectiveness. Also, they highlight ethics-related innovations that have improved their environmental performance and serve as success stories to strengthen their position in the market.

#### *4.1 Green marketing innovation: a two-dimensional approach*

Viewed from green marketing innovations perspective, relative importance of small firms to behave strategically and creatively in the face of changing market conditions represents an opportunity to gain competitive advantage through superior green marketing approaches. This has motivated them to innovate differently and develop 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 and features, 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 ahead and willing to take risks. This ensures their survival in the market when they have several priorities and often only limited resources to devote to any one of them. Aligned with emphasis of Simmonds (1986), this study argues that contemporary marketing innovations and decisions move beyond limited alternatives predetermined by product and market definitions, and downstream market-related activities such as advertising, packaging, selling or distribution and are now based on compliance, commitment and leadership in context of small firms.

Qualitatively, this study presents two perspectives of green marketing innovations driven by synergistic dimensional relationships that propose a holistic approach to green marketing (Figure 1). When considered holistically, green marketing innovations can be described across two perspectives, i.e. collaboration and execution. Collaboration perspective denotes green marketing innovations related to strategic partnership and execution perspective denotes that of green teams. Each perspective further caters to developing other four green marketing innovations, i.e. compliance, ethical behaviour, benchmarking and environmental commitment. In other words, strategic partnership focuses upon developing shared values, goals and objectives to work towards complying with environmental



**Figure 1.**  
Green marketing  
innovations as a  
two-dimensional  
construct

regulations, developing and maintaining environmental commitment, practicing ethical standards related to the natural environment and benchmarking business practices. The collaboration perspective addresses issues across the firms, and between the firm and customers. Similarly, green teams develop green marketing plans to ensure that firms' practices comply with local, national and international environmental regulations, and to exhibit their environmental commitment, implementation of environmental ethics and benchmarking of business operations. The execution perspective of green marketing innovations caters to either within firm issues or across firms issues, or both depending upon the structure of green team. Thus, strategic understanding of the perspectives of green marketing innovations for small firms is developed that make the integrated nature of two-dimensional construct manifest.

#### *4.2 Managerial implications*

The six categories of green marketing innovations in small firms identified in the study are useful for managers to understand how developing organisation-wide marketing innovations intend to cater to the present and future needs of the market as well as to make their organisational process and activities effective in the present competitive environment. And, the perspectives (collaboration and execution) provide managers in small firms with conceptual apparatus to delineate 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 develops their capabilities to innovate for positively affecting cost reduction and performance (operational and market-related). The findings indicate that green marketing innovations demand managers to rethink and reconsider their businesses and their business processes from different perspectives such as design, manufacturing, logistics, communication and ethics. It demands their commitment towards environmental conservation, to focus on complying with local, national and international environmental regulations and to benchmark their business processes. For example, they should effectively orient their functional departments and green teams towards acquiring resources, and developing skills and capabilities that offer product quality, cost control and continuous improvement. Also, gaining environmental risk detection skills and understanding of various environmental laws gives them the ability to conduct internal environmental audits effectively, and to lead the way in environment compliance to discover issues and propose ways to improve. This way, managers in small firms work towards moving beyond green product offerings and immediate sales of green products, and to compete for superior positioning with their rivals.

Managers of small firms need to proactively focus upon relationship building with their partner firms, customers and regulatory bodies. They need to address concerns of partner firms, fulfilling promises, sharing accurate, specific and relevant information, and practicing high standards of conduct which is intended to serve needs of each other, to cultivate satisfaction, to build trust and to create superior value. A high frequency of interactions enables them to understand needs of the market and partner firms, and present and future regulatory structure which enables them to foresee opportunities and threats in the market, and to develop green marketing innovations to respond in faster and better manners. It also improves the likelihood of developing green marketing innovations that are adaptable to the nature of the firm, its resources and its capabilities, and improves their responsiveness to the market needs and competitiveness.

Further, they need to focus upon developing shared goals either across functions within the firms, or across partner firms that support their environmental stewardship. This should be based on belief that they work together jointly as teams to share market- and

operations-related information and inferences, to assist each other's objectives in foreseeing and responding to meet consumer needs, and to achieve mutual goals. Also, the green teams should effectively be directed towards developing economic satisfaction such as economic rewards (margins, sales volume), and non-economic satisfaction such as reputation, trust and image-building. Thus, it is important for managers of small firms to recognize the effectiveness and benefits of properly designed and managed business-led partnerships based on shared values and goals.

Another implication is related to the two perspectives 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 compliance. Technological advancements, environment-focused future plans and bagging of environmental certifications may be such examples which small firms can use to position themselves amongst their competitors.

## 5. Conclusion

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 develop 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 describe how the firms utilize three strategic capabilities of small firms in developing competitive advantage for the firms. Meeting the objectives, it provides clear guidance on what constitutes green marketing innovations and what activities comprise those innovations in the context of small firms. Findings of the study indicate that marketing has emerged 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 difficult to directly 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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