

## **Brand building through green supply chain-an Indian perspective**

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Branding has become the most potent tool in the hands of the marketers on the basis of which companies can cash in and climb the ladder of success. It has also become an effective weapon to carve a niche in the market for a company's products. Branding is also defined as "The process involved in creating a unique name and image in the consumer's mind namely through an advertising campaign with a consistent theme". Branding creates a significant and differentiated presence in the market that attracts and retains loyal customers. However, it should not be understood as a weapon to hit the targeted market and to get over the competitors, it should be treated as the most effective weapon to get your own prospects and to establish your product as the best solution to a problem. The most important branding exercise is brand building. Almost every company, small or big, invests in brand building as it brings forth the following advantages:

- a) Enhances consumer preferences for the products
- b) Increases revenue and market share
- c) Acts as a cushion to survive temporary crises
- d) Develops a unique image
- e) Helps to attract new customers.

This article examines the effectiveness of brand building through green supply chain in the Indian scenario.

### **VARIOUS METHODS OF BRAND BUILDING**

Various methods of brand building can be categorized into two parts i.e. traditional methods and modern methods.

Traditional methods include working on the various elements of brand equity, viz. brand awareness, brand association, brand loyalty and perceived quality.

Modern methods include social media, event sponsorships, CSR activity and green supply chain.

### **MODERN METHODS**

#### **Brand building through social media**

Social media revolution has completely changed the way customers interact and connect with each other. It has proved to be the most effective platform for building brands in the market. Social networking sites like Facebook, LinkedIn, Twitter etc. have become effective weapons for promoting and building brands in the market. Building brands through social media brings forth the

following advantages: a) builds a relationship; b) acts as a differentiating factor c) nurtures loyal fans.

A) Builds Relationships-Social media has proved to be an effective platform for building relationships with the customers as it provides a common platform through which customers and companies interact with each other. The relationship is built through the following methods:

- i) Humanizes a faceless competition-Social media provides a deeper meaning to brands as they provide a common platform for interaction. There have been many campaigns which have been successful as a result of promotion through social media.
- ii) Creates a ground for risky decisions- Social media provides a major testing area for risky decisions.
- iii) Corrects a negative image-Social media has also been of great help in correcting a negative image. There have been many instances in the past when negative images have faded away due to social media interaction.

B) DIFFERENTIATING FACTOR-Social media can become an important factor to differentiate brands while creating a unique emotional experience. This is done in the following ways:

- i) Bringing emotional benefit to life-Social media has proved an effective platform for bringing about emotional benefits.
- ii) Engage around a shared cause-Social media has become an effective platform for promoting a cause and extending CSR activity.
- iii) Activate new advocates using established loyal fans.

C) NURTURES LOYAL FANS-Social media has proved to be an effective weapon to sustain and maintain the loyal fans in the market. This can be done through engaging the brand lovers by creating new and interesting experiences for them. Rewarding them by creating personalized experience, using the loyal base for tapping new advocates on the basis of loyal customer base.

#### **Brand building through event sponsorships**

Even in the era of digitalization, where social networking sites are emerging as the most powerful tool for brand building, the importance of event sponsorships cannot be denied. Creating brand equity through sponsorship is a two step process i.e., accessing sponsorship rights, in case the companies fail and leveraging it with the help of social engagement. Sponsorship also plays an important role in transferring the brand image thereby adding an extra step in brand building. Many companies resort to event sponsorship in especially sponsoring events like music

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shows, sports events etc. Event sponsorship works on each of the elements of brand equity and builds the brand strongly.

#### **Brand building through CSR**

Another most profitable alternative of brand building is CSR activity. Many companies are resorting to CSR activity to create brand differentiation and create powerful brand equity. According to Gurhan et al (2009), CSR aids in brand building through promotion of a particular event, cause related marketing etc. Many instances in the past have shown how CSR has contributed towards brand building. Some well known examples in this field are PROJECT "SHAKTI" introduced by HUL. The project was launched with the major objective of helping out the underprivileged women in entrepreneurial talents. The main objective of the project is to recruit, train and employ women entrepreneurs. The project has been a major success in creating brand awareness for HUL products. Similarly, Colgate rural initiative was another popular campaign in this direction. Colgate 'Disha' campaign went on to send a wave of brand awareness and actively contributed towards brand awareness.

#### **Brand building through supply chain**

The objective of every business entity is to deliver brand promise to its customers. Brand promises involve promises on various fronts like performance, confidence, security and affiliations. Due to ever increasing demand and increasing level of consumer impatience, delivering proper brand promises has become a lot dependent on supply chain. It involves asking questions like, which aspect of the company's supply chain has the most current or potential influence on brand promise and customer buying experience; alignment of brand promise with company's supply chain, fulfillment etc. Therefore, it is rightly said that supply chain can build or destroy the brand. Another emerging concept in supply chains is the Green supply chain. Many companies are resorting to green supply chains to build their brands in the market. However, it is just a drop in the ocean according to EPI (Environmental Performance Index) on the Indian front.

#### **HISTORY OF GREEN SUPPLY CHAIN MANAGEMENT**

The history of green supply chain management dates back to the year 1994 when Webb.L. Studied the influence of environment on production. He also came up with the idea of choosing the raw material according to the environmental standards. With this came up the concept of Green Purchasing. National Science Funds (NSF)

sanctioned \$4, 00,000 to the manufacturer research consortium. They had an item called "Environmental responsible manufacture". From there arose the concept of green supply chain and green supply chain management.

In India the awareness about green supply chain management is still in the nascent stages, lot of development is needed on various fronts. That is why India stands among the lowest rung countries according to the economic performance indicators. A study conducted by Xu, L.Malhizhangan et al (2013) revealed that the main pressures responsible for adoption of green supply chain practices in India varied from sectors to sectors. The study revealed that in the automobile sector, the main reason for adoption of green supply chain is to meet the pressures of the government and to face stiff competition. Textile industry adopts green supply chain in order to protect their exports. Chemical business is motivated to adopt green supply chain as a result of regulatory pressures. Large businesses are motivated to adopt green supply chain as a result of shareholder's demand. Medium sized enterprises intend to adopt green supply chain as it will help them to compete in the foreign markets.

#### **DEFINITION OF GREEN SUPPLY CHAIN MANAGEMENT**

Green supply chain management refers to the way in which innovations in supply chain management and industrial purchasing can be considered in the context of the environment.

Green supply chain management consists of the purchasing function involvement in activities that include reduction, recycling, reuse and substitution of materials.

Green supply chain is the practice of monitoring and improving environmental performance in the supply chain.

#### **GSCM=Green purchasing+ green manufacturing/materials management +green distribution/marketing & Reverse logistics.**

Green purchasing is the process of selection and acquisition of products and services which minimizes the impact over the lifecycle of manufacturing, transportation, use and recycling. IGPN, commonly known as the International Global Purchasing Network, is involved in promoting the spread of environmental friendly products worldwide. It is entrusted with the task of delivering green purchasing activities, organizing workshops & conferences and other activities like market research. On the lines of IGPN is the GPNI (Green

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Purchasing Network in India) which works on an India level but is presently in a nascent stage.

Green manufacturing is another important objective of green supply chain management. The main objective of any manufacturing company going green is to reduce waste. In green manufacturing, there is a need to redesign the manufacturing machines. Adopting the use of green manufacturing brings about the following advantages: cost reduction, benefit to the society etc.

Green marketing Marketing has been defined as the most revenue generating activity of a firm. Green marketing has become an important aspect of marketing. Green marketing is defined to create positive effects of the environment or to reduce the negative effects of the environment.

Reverse logistics is defined as the term often used to refer to the role of the logistics in product development, source reduction, recycling, material substitution, reuse of material, waste disposal, refurbishing, repair and manufacturing.

Table 1.0: Difference between traditional supply chain and modern green supply chain

Differences	Traditional	Green supply chain
Objective and values	Economic	Economic and ecological
Ecological optimization	High ecological impact	Integrated low ecological impact
Supplier selection criteria Cost and prices	Price-switching suppliers quickly High cost pressure Low prices	Ecological aspects and price High cost pressure High prices
Speed and flexibility	High	Low

**India’s ranking on environment performance Index**

India’s performance on environment index has been worse over the last few years. According to the environment performance Index (2014) India ranks 155. This shows that a lot needs to be done in order to improve the environmental performance.

Performance of India state wise

According to the environment performance index state wise, Delhi stands on the lowest rung and has slipped from 26 to 32. Its total score reflects .4246, as against Andhra Pradesh .76, Sikkim, .7478, Himachal .741 and

Madhya Pradesh .733, followed by Maharashtra .71.

**Green supply chain and brand building**

Today’s market scenario is characterized by decreasing level of patience in the hands of the consumers and increasing concern for environment. Brand building has become the most challenging tasks in the hands of corporate entities. Every corporate entity, as a measure of sustainability, tries to meet the impatient demands of the consumer and at the same time addressing the increasing concern for the environment. In such a situation using green supply chain as a tool for brand building is the most profitable venture. Majority of the countries in the western world seem to adopt it and have seen their profits soaring and consumer trust increasing. Some notable examples of these well known brands are as follows:

**Wal-Mart’s Go Green initiatives**

Wal-Mart has been ranked no-1 in green initiatives according to the inter brand survey 2012. The credit for its grand success is attributable to its sustainability initiatives –i.e. ‘its go green campaigns.’ It is one of those companies that have successfully implemented green supply chain initiatives. Its supply chain initiatives are implemented with the following objectives:

- a) Identifying goals, metrics and new technologies
- b) Certifying environmentally sustainable products
- c) Providing network partner assistance to suppliers
- d) Committing larger volumes of environmentally sustainable products
- e) Cutting on the middlemen
- f) Restricting the buyer’s role
- g) Consulting directly with suppliers
- h) Licensing environmental innovations.

All these initiatives have contributed a lot towards enhancing its brand equity.

**Nestle’s initiatives towards green supply chain**

Nestle has employed a strategy of reducing its packaging approach. This approach favors source reduction, re-use, recycling and energy recovery. This initiative has definitely helped in increasing the brand equity of Nestle.

**CISCO’s green supply chain**

CISCO views its supply chain as a core strategy to create competitive advantage. Therefore, it has always laid emphasis on greening its supply chain. It has incorporated Green supply chain in Its product design by concentrating

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on the following:

- a) Energy efficiency-Cisco aims at reducing energy demands .It makes all the efforts to reduce the power demand so that energy efficiency is maintained.
- b) Product packaging –Cisco is well known for its efficient packaging strategy. Its packaging is environment friendly and recyclable.
- c) Design for upgradeability-Cisco continuously aims at upgrading its products due to which sound disposal of the product can be made without environmental damage
- d) Design for recyclability-Cisco designs its products in such a way that they are easily recyclable.
- f) Material innovation-CISCO has laid continuous stress on innovation due to which it increases quality and reliability which improves product performance and extends product life.

**Some Indian Examples**

**Tata**

Tata has been declared as the top most Indian green brand. Tata has its business spread in various sectors like, information technology, engineering products, materials ,services energy, consumer products,chemicals,global trading and distribution,Defence and Aerospace and international operations. Tata has tried its best over the years to maintain green supply chain as a tool for brand building and sustainability. One of the major green supply chain initiatives is the deployment of Lupa Bulkers resulting in cost effective and eco friendly transportation. Tata chemicals and Tata motors have on the other hand made use of LCA i.e. life cycle assessment. The use of LCA in their operations has contributed equally towards brand building. Tata motors as part of its go green initiative has introduced green dealership program. These activities have really made the Tata group of companies climb the ladder of success.

**Toyota Bharat**

Toyota has been rated as the best global brand according to the interbrand survey 2013.Toyota has succeeded in producing cleaner emitting cars. It has taken all the steps to reduce green house gases and energy emissions. It has incorporated a lean production policy in their supply chain which has done wonders in making Toyota one of

the best car manufacturing companies. Toyota’s green supply chain can be understood by the following diagram.

Toyota has always made sure that its suppliers are ISO9001and ISO 14001 certified. At the production level- it makes sure that production concentrates on compliance, minimization of environmental risk and taking all the efforts to reduce the environmental pollution. Toyota has introduced the concept of eco dealer outlets . The company concentrates on the manufacturing of hybrid vehicles which emit low co2 . Similarly, Toyota concentrates on hybrid battery recycle system. All these efforts have made Toyota climb the ladder of success and have contributed towards effective brand building.

**Ford India**

Ford tops the list of green brands according to the global green brands survey 2014 .Walking on similar path, Ford India has taken a number of initiatives in India also. As a part of its “go green initiative” Ford aims to reduce the carbon footprint of its major suppliers .It has paved the way for leadership and an effective way for efficient brand building. It plans to reduce green house gas emissions by 30% this year. All these efforts have contributed towards more effective brand building of a stronger brand FORD.

**Maruti –Suzuki Ltd**

Maruti –Suzuki over the past few years has built the brand effectively due to the efforts of green supply chain.Starting from eco procurement to reverse logistics, the company has worked on all fronts for effective implementation of green supply chain. Most of its suppliers are ISO14001 certified .It has taken special initiative in energy, water and resource conservation. The company has also introduced lot of eco cars in the market which has won huge preference from the consumers .All these efforts have effectively contributed towards its brand building.

Therefore, Brand building through green supply chain is the most powerful weapon to differentiate a brand in the market. Even though green supply chain initiatives are at nascent stages in India, a proper mandate laid down for the same can help to make India a safer country and thereby an effort can also be made towards a safer planet.

