



PALGRAVE STUDIES OF  
MARKETING IN EMERGING ECONOMIES

# Green Marketing in Emerging Markets

Strategic and Operational  
Perspectives

*Edited by* Chipo Mukonza · Robert E. Hinson  
Ogechi Adeola · Isaiah Adisa  
Emmanuel Mogaji · Ayça Can Kirgiz



palgrave  
macmillan

# Palgrave Studies of Marketing in Emerging Economies

## **Series Editors**

Robert E. Hinson  
University of Ghana Business School  
Accra, Ghana

Ogechi Adeola  
Lagos Business School, Pan-Atlantic University  
Lagos, Nigeria

This book series focuses on contemporary themes in marketing and marketing management research in emerging markets and developing economies. Books in the series covers the BRICS (Brazil, Russia, India, China and South Africa), MINT (Mexico, Indonesia, Nigeria and Turkey), CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa); EAGLE economies (those which are expected to lead growth in the next ten years, such as Brazil, China, India, Indonesia, South Korea, Mexico, Russia, Taiwan, and Turkey) and all other African countries (classified under developing countries), taking into consideration the demographic, socio-cultural and macro-economic factors influencing consumer choices in these markets. The series synthesize key subject areas in marketing, discuss marketing issues, processes, procedures and strategies across communities, regions and continents, and also the way digital innovation is changing the business landscape in emerging economies.

*Palgrave Studies of Marketing in Emerging Economies* presents a unique opportunity to examine and discuss marketing strategy and its implications in emerging economies, thereby filling a gap in current marketing literature.

All chapter submissions to the series will undergo a double blind peer review and all book proposals will undergo a single blind peer review.

More information about this series at  
<http://www.palgrave.com/gp/series/16591>

Chipo Mukonza  
Robert E. Hinson • Ogechi Adeola  
Isaiah Adisa  
Emmanuel Mogaji • Ayça Can Kirgiz  
Editors

# Green Marketing in Emerging Markets

Strategic and Operational  
Perspectives

palgrave  
macmillan

*Editors*

Chipo Mukonza  
Tshwane University of Technology  
Polokwane, South Africa

Robert E. Hinson  
University of Ghana Business School  
Accra, Ghana

Ogechi Adeola  
Lagos Business School, Pan-Atlantic  
University  
Lagos, Nigeria

Isaiah Adisa  
Olabisi Onabanjo University  
Ago-Iwoye, Nigeria

Emmanuel Mogaji  
University of Greenwich  
London, UK

Ayça Can Kirgiz  
Istanbul Kent University  
Istanbul, Turkey

ISSN 2730-5554

ISSN 2730-5562 (electronic)

Palgrave Studies of Marketing in Emerging Economies

ISBN 978-3-030-74064-1

ISBN 978-3-030-74065-8 (eBook)

<https://doi.org/10.1007/978-3-030-74065-8>

© The Editor(s) (if applicable) and The Author(s), under exclusive licence to Springer Nature Switzerland AG 2021

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG. The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

# Preface

*Green Marketing in Emerging Markets: Strategic and Operational Perspectives* provides theoretical and practical insights into how businesses in emerging economies can integrate green objectives into their activities to achieve sustainable outcomes.

Green marketing is a multifaceted tool that must be integrated and be assimilated across all organisational areas and activities if the organisation is to achieve long-term benefits. This book addresses issues on the conceptualisation of green marketing and strategic operationalisation in emerging markets. Green marketing implementation has witnessed some challenges and impediments, arising mainly from the notion that traditional marketing and management tools, such as the marketing audit, have failed to fully incorporate the environmental aspects of marketing. This new book provides insights on green marketing as an integrated, strategic, tactical process geared towards sustainable business practices. Green marketing is a crucial aspect of the sustainability practice which businesses in emerging markets must adopt.

Sustainable business practices are crucial to achieving the United Nations' Sustainable Development Goals (SDGs 2030); the more organisations invest in sustainable practices such as green marketing, the more beneficial it would be for their socio-economic environment. The people, environment and economy are at the perils of unsustainable practices in

emerging markets with the attendant adverse consequences. Green marketing presents organisations with the opportunity to adopt sustainable business practices which will preserve the environment, encourage sustainable actions and lead to competitive advantage. Consequently, business activities must be strategic and sustainable to remain relevant.

Therefore, green marketing is a strategic response to social, economic and environmental problems of unsustainable business practice and a trajectory towards sustainable development in emerging markets. This book discusses green marketing from a strategic and operational perspective through empirical research and findings from literature. The discussion in the book is beneficial to managers, owners of businesses, policymakers and marketing scholars. The application and implementation of strategic and operational green marketing activities in emerging markets are actionable for organisations and the larger society. Overall, the book discusses green marketing, and various green marketing practices and implementations, from emerging economies perspectives and the institutional logics for embedding 'greenness' across organisational marketing activities.

Polokwane, South Africa  
Accra, Ghana  
Lagos, Nigeria  
Ago-Iwoye, Nigeria  
London, UK  
Istanbul, Turkey

Chipo Mukonza  
Robert E. Hinson  
Ogechi Adeola  
Isaiah Adisa  
Emmanuel Mogaji  
Ayça Can Kirgiz

# Acknowledgements

The editors would like to thank the authors for their contributions, constructive peer reviews and insights provided in the book. We would also like to thank the publisher, Palgrave Macmillan, for the opportunity to contribute to the literature on the sustainability movement through green marketing.



# Contents

<b>Part I</b>	<b>Introduction to Green Marketing</b>	1
<b>1</b>	<b>Green Marketing: An Introduction</b>	3
	<i>Chipo Mukonza, Robert E. Hinson, Ogechi Adeola, Isaiah Adisa, Emmanuel Mogaji, and Ayça Can Kirgiz</i>	
<b>2</b>	<b>Green Business Practices in Emerging Economies</b>	15
	<i>John Ntshaupe Molepo and Thanyani Selby Madzivhandila</i>	
<b>Part II</b>	<b>Strategic Perspectives on Green Marketing</b>	37
<b>3</b>	<b>Green Marketing: A Conceptual Overview</b>	39
	<i>Nathaniel Newman</i>	
<b>4</b>	<b>Green Consumer Behaviour</b>	61
	<i>Andrews Agya Yalley and Kojo Kakra Twum</i>	
<b>5</b>	<b>Consumer Buying Behaviour for Green Products in India</b>	93
	<i>Vishal Kumar Laheri and Anuradha Malik</i>	

<b>6</b>	<b>Green Integrated Marketing Communication</b>	117
	<i>Kojo Kakra Twum and Andrews Agya Yalley</i>	
<b>7</b>	<b>Green Product Management: An Emerging Market Perspective in South Africa</b>	145
	<i>K. M. Makbitha</i>	
<b>Part III</b>	<b>Operational Perspectives on Green Marketing</b>	179
<b>8</b>	<b>Green Initiatives in Logistics Social Responsibility: A Research on the Turkish Logistics Industry</b>	181
	<i>Berk Kucukaltan</i>	
<b>9</b>	<b>Greenwashing: How Difficult It Is to Be Transparent to the Consumer—H&amp;M Case Study</b>	203
	<i>Gül Kaner</i>	
<b>10</b>	<b>Green Marketing Orientations and Firm Performance in Nigeria: A Literature Review</b>	227
	<i>Emmanuel Ajike and Adesoga Adefulu</i>	
<b>Part IV</b>	<b>Opportunities, Challenges and Implications</b>	249
<b>11</b>	<b>Opportunities and Challenges of Green Marketing</b>	251
	<i>Daniel Ofori</i>	
<b>12</b>	<b>Emerging Trends in the Green Marketing Space: Implications for Theory, Practice and Policy Formulation</b>	277
	<i>Chipo Mukonza, Ogechi Adeola, and Isaiah Adisa</i>	
<b>Index</b>		287

## Notes on Contributors

**Adesoga Adefulu** is Associate Professor of Marketing and Entrepreneurship and Head of Department, Business Administration and Marketing. He is a fellow at the National Institute of Marketing of Nigeria (NIMN), an associate member at the Institute of Personnel Management (AIPM), immediate past director at the Centre for Entrepreneurship, Babcock University, and departmental co-ordinator of postgraduate programmes. He is the editorial secretary of *Babcock Journal of Management and Social Sciences* (BJMASS) and *Babcock Business and Marketing Review* (BBMR).

Adefulu has participated in many local and international conferences and written in accredited journals both locally and internationally. He has won the postdoctoral research fellowship award for two years at University of South Africa—UNISA and the College of Economic Management Sciences—CEMS research output award in 2016.

**Ogechi Adeola** is Associate Professor of Marketing and Head of Department of Operations, Marketing and Information Systems at the Lagos Business School, Pan-Atlantic University, Nigeria. She is a 2016 Visiting International Fellow, Open University Business School, UK, and a 2017 Paul R. Lawrence Fellow, USA. She has published academic papers in top peer-reviewed journals, and her co-authored articles won

Best Paper Awards at international conferences in 2016–2019, consecutively. She is a fellow of the Institute of Strategic Management, Nigeria, and the National Institute of Marketing of Nigeria.

**Isaiah Adisa** is a management researcher and consultant based in Nigeria. He has co-authored book chapters and journal articles. His co-authored paper won the best paper award in 2019 at the 13th MBAcademy International Conference on Management Businesses Organization and Innovation (IMBAC2019). Adisa's research interests cut across human resources management, organisational behaviour, marketing and gender studies.

**Emmanuel Ajike** is a senior lecturer in the Department of Business Administration and Marketing at Babcock University, Nigeria. With a sound background in strategic marketing and consumer behaviour, he has served as the departmental co-ordinator of postgraduate programmes and the undergraduate programmes. He has occupied various corporate positions. He is a member of a number of professional organisations and he has garnered a strong international footprint in collaborative research and has authored a number of publications in local and international journals. He has also co-authored some books on entrepreneurship. He is one of the Babcock University Methodologists.

**Robert E. Hinson** is Professor of Marketing, Head of the Department of Marketing and Entrepreneurship and Acting Director of Institutional Advancement at the University of Ghana, Ghana. He is also the leader of the Project on Sustainability and Enterprise Development in the College of Humanities at the same university and an extraordinary professor at the North West University School of Business. He has authored/edited several books on marketing, service excellence, social responsibility and tourism-related subjects. A winner of the Communication Science Award from the Conversation, Africa, he holds two doctorate degrees, one in Marketing and the other in International Business.

**Gül Kaner** is a PhD candidate in the Department of Design, Technology and Society at Koç University, Turkey. Her PhD is on increasing sustainability awareness of fashion consumers. Her previous works in the Netherlands and Turkey focused on the participatory role of new media

technologies in the fashion system and collaboration of fashion and technology systems for the design of fashionable wearables. She participated in industrial and academic fashion and technology collaborations in Italy and Germany to develop sustainable fashionable wearables. Her research interests are sustainability and technology in fashion studies, marketing and communication of fashion, with participatory design methodologies.

**Ayça Can Kirgiz** is working as an associate professor at the Istanbul Kent University, Turkey. She has authored and edited several books on marketing and brand management. She also has written several articles and conducted many projects in the same field. She has a book published in Palgrave Macmillan, one of the most prestigious publishers in England, with the title *Green Marketing: A Case Study of the Sub-Industry in Turkey*. In addition to that, she has books focused on branding published in Germany and Turkey. Furthermore, she is the editor of a series of marketing books.

**Berk Kucukaltan** completed his PhD in Business Management from Brunel University London, UK, with the Dean's Prize for Innovation and Impact in Doctoral Research in the Brunel Business School. He is an assistant professor at Trakya University, Turkey, and is also a visiting fellow at the School of Management, University of Bradford, UK. His research interests stretch across strategic management, performance management, strategic decision-making, logistics, innovation management and entrepreneurship subjects. In addition to his editorial board memberships in several journals listed in the Web of Science, he has a large number of publications in ABS-listed journals and in widely known conferences.

**Vishal Kumar Laheri** has obtained his Doctoral degree from the Faculty of Management Studies at University of Delhi, India. He is working as an assistant professor at Institute of Management Studies, Banaras Hindu University. His area of interest is marketing with a focus on consumer behaviour and green marketing. He has written several research papers in various national and international journals indexed in Scopus and The Australian Business Deans Council (ABDC) list of journals. He has presented his research work at national and international conferences, and

two of his research papers have been published in proceedings by Emerald. He is actively engaged in teaching and research.

**Thanyani Selby Madzivhandila** is a senior lecturer and programme leader at the University of Mpumalanga in the School of Development Studies, South Africa. Madzivhandila has written extensively in both accredited and non-accredited journals, nationally and internationally.

**K. M. Makhitha** is the head of department (HoD) and associate professor in the Department of Marketing and Retail Management at the University of South Africa, South Africa. She is the co-editor of various marketing-related books and has contributed more than ten book chapters. She has written more than 30 research articles in accredited journals. She is the board member of the Marketing Association of South Africa. She previously worked at the University of Johannesburg as a lecturer and the Vaal University of Technology as a senior lecturer.

**Anuradha Malik** is working as an assistant professor at Government College, Barota, Haryana, India. Previously she has worked for prestigious institutions like Shri Ram College of Commerce, University of Delhi. She has completed her Masters from the Department of Commerce, Delhi School of Economics, University of Delhi. Her area of research includes consumer behaviour, green marketing and internet marketing. Her research work has been published in reputed national and international journals indexed in Scopus. She is actively engaged in teaching and research.

**Emmanuel Mogaji** is Senior Lecturer in Advertising and Marketing Communications at the University of Greenwich, London, UK. His research interests are in artificial intelligence, digital marketing and service brand management. Mogaji has previously worked as a marketing communication executive, responsible for creative designs and managing marketing campaigns, liaising and building relationships with a range of stakeholders. He has written peer-reviewed journal articles, book chapters and book and presented his works in many national and international conferences. His publications have appeared in *International Journal of Information Management*, *Journal of Product and Brand Management*, *Australasian Marketing Journal* and *International Journal of Bank Marketing*.

**John Ntshaupe Molepo** is a senior lecturer and programme leader at the University of Mpumalanga in the School of Development Studies, South Africa. Molepo is also the Executive Director for the South African Association of Public Administration and Management (SAAPAM). Molepo has written articles both nationally and internationally.

**Chipo Mukonza** is Founder and Managing Director of RC Global Research Training and Consultancy. She is also a lecturer at Tshwane University of Technology in Polokwane, Limpopo, South Africa. She holds a PhD in Business Administration from Tshwane University of Technology. Her current research focus is on business and climate change, green growth indicators, green entrepreneurship and renewable energy. She is a member of Climate Strategies, and co-principal investigator on Governing Inclusive Green Growth in Africa (GIGGA), a research network. She is a board member of various local and international organisations.

**Nathaniel Newman** is a Doctoral student with the Department of Marketing and Entrepreneurship at the University of Ghana Business School, Ghana. He was also one time an adjunct lecturer at the Palm Institute, a private liberal arts university college in Ghana. His areas of interest are corporate social responsibility, brand positioning and customer service but lately issues of customer stewardship and green marketing concerns have also gained his attention. Newman is also the administrator of Christian Home Academy, a private basic school, a position he has held for the last ten years.

**Daniel Ofori** is an assistant lecturer in the Department of Marketing and Supply Chain Management, School of Business at the University of Cape Coast, Ghana, and a PhD candidate in the same university. Ofori is a full member of the Chartered Institute of Procurement and Supply (CIPS, UK). He also holds a certificate in Sustainable Consumption and Production (SCP) in Africa from the United Nations Institute for Training and Research (UNITAR). He has considerable experience in working with informal sector in electronic and plastic waste value chain. His research interest includes green consumerism, waste management in the supply chain, sustainable consumption and production.

**Kojo Kakra Twum** is a marketing lecturer at Presbyterian University College, Ghana, and a PhD student at School of Business, University of Cape Coast. He holds a degree from the University of Cape Coast, Ghana, and a Master of Philosophy in Marketing from the University of Ghana, Legon. He teaches various courses such as marketing research and analysis, international marketing and sales and retail management. His research focuses on marketing communications, corporate social responsibility, political marketing and service marketing. He has written research papers on marketing of higher education, marketing of political parties through corporate social responsibility and entrepreneurial intention of students.

**Andrews Agya Yalley** is a marketing scholar at the University of Cape Coast, Ghana. He holds a BA (Hons) in Business and Management from the University of Northampton, UK; an MBA in Marketing from the University of Aberdeen, UK; and a PhD in Marketing from Coventry University, UK. His research focuses on service marketing, service productivity, political and religious marketing and sustainability marketing. His research has been published in refereed journals, books and other international marketing conference proceedings. He also has marketing and management consultancy experience in both Ghana and the UK.



# List of Figures

Fig. 3.1	The green marketing process. (Source: Senthilnathan et al. (2015: 9))	46
Fig. 3.2	Classification of product environmental labels by type. (Source: Horne (2009:177))	55
Fig. 4.1	Green consumer buying and consumption decision process	75
Fig. 4.2	Low-involvement hierarchy	80
Fig. 4.3	Standard learning hierarchy	81
Fig. 4.4	Experiential hierarchy	81
Fig. 4.5	The SHIFT framework	83
Fig. 5.1	Hypothesised model of consumer buying behaviour for green products. (Source: Adapted from Ajzen, 1991)	101
Fig. 5.2	Measurement model. (Source: Primary data)	103
Fig. 5.3	Structural model. (Source: Primary data)	104
Fig. 6.1	Framework of Green IMC. Source: Adapted from Kliatchko (2005, 2008)	137
Fig. 7.1	Framework of Green IMC. (Source: Own picture)	165
Fig. 8.1	Types of LSPs. Source: Adapted from Seyed-Alireza and Seyed-Alagheband (2011)	186
Fig. 8.2	The descriptive position of LSR. Source: Adapted from Gruchmann and Seuring (2018)	191

# List of Tables

Table 3.1	Green marketing activities at the three levels	52
Table 4.1	Segmentation of green consumers	68
Table 4.2	A consumer purchase evaluation for an energy-efficient refrigerator	77
Table 4.3	Kurt Lewin's model of change implications for green behavioural change	84
Table 5.1	Measures of the constructs	100
Table 5.2	Fit statistics of the measurement model	103
Table 5.3	Parameter estimates for the structural model	105
Table 5.4	Testing of hypotheses: Structural model	106
Table 5.5	Fit statistics of the structural model	106
Table 5.6	Ranking of facilitators for purchase of the green products	108
Table 5.7	Ranking of barriers for purchase of the green products	109
Table 6.1	The four pillars of IMC	123
Table 6.2	Examples of green website communications	134
Table 6.3	A case of Green IMC of Hotel Verde	138

# Part I

## Introduction to Green Marketing



# 1

## Green Marketing: An Introduction

Chipo Mukonza, Robert E. Hinson, Ogechi Adeola,  
Isaiah Adisa, Emmanuel Mogaji, and Ayça Can Kirgiz

### 1.1 Introduction

The green marketing concept evolved between the 1960s and early 1970s due to concerns about the impact of consumption and production patterns on the environment (Konar & Cohen, 2001). However, from the late 1980s, green marketing received significant attention as green consumerism increased (Mishra & Sharma, 2010). Green marketing involves a series of activities that go beyond the current needs of the consumers,

---

C. Mukonza (✉)

Tshwane University of Technology, Polokwane, South Africa  
e-mail: [chiponyam@gmail.com](mailto:chiponyam@gmail.com)

R. E. Hinson

University of Ghana Business School, Accra, Ghana

O. Adeola

Lagos Business School, Pan-Atlantic University, Lagos, Nigeria  
e-mail: [oadeola@lbs.edu.ng](mailto:oadeola@lbs.edu.ng)

taking into consideration the social interest in protecting the natural environment (Chamorro & Bañegil, 2006). Soonthonsmai (2007) defined green marketing as “actions carried out by organisations that are apprehensive about the ecology or green problems by providing the environmentally friendly goods or services to bring satisfaction among customers and the community”.

Rahman et al. (2012) described green marketing as business operations with the motive of decreasing waste through environmentally friendly products, saving energy, and encouraging the environmental health and sustainability of the society. Green marketing, also known as ecological marketing/eco-marketing and sustainable marketing (Katrandjiev, 2016), has ushered in new ways of doing business that is sustainable and profitable. Green marketing has been promoted for various reasons: eliminating wastefulness, educating consumers about eco-friendly measures, and driving the sustainability agenda in emerging markets. The conception and implementation of green marketing practices in emerging markets will require a green marketing orientation that influences organisation actions, processes, performance and improves company image (Mukonza & Swarts, 2019). Green marketing orientation is a firm’s holistic positioning towards the natural environment (Papadas et al., 2017).

According to Li et al. (2018), a number of factors have triggered the adoption of green market orientation by businesses, and these include competitive environment, peer pressure, environmentalist, policies, and legal actions. These factors, in turn, encourage internal green practice,

---

I. Adisa  
Olabisi Onabanjo University, Ago-Iwoye, Nigeria

E. Mogaji  
University of Greenwich, London, UK  
e-mail: [e.o.mogaji@greenwich.ac.uk](mailto:e.o.mogaji@greenwich.ac.uk)

A. C. Kirgiz  
Istanbul Kent University, Istanbul, Turkey

strategic green orientation and supplier management. To this end, green marketing has gained momentum, largely with the change in the consumers' attitude and behaviour.

### 1.1.1 Why Green Marketing?

From the economics perspective, human needs and wants are unlimited, yet our resources are limited. This has been compounded by changing climate and depleting natural resources. In this regard, firms and institutions must develop new approaches to doing business. The need of the consumers and the environment must be collectively considered for sustainability purposes. To this end, green marketing encompasses marketing activities that are environmentally conscious while satisfying consumers and industry needs (Bhalerao, 2014).

Green marketing has become a buzzword used in the corporate world, government, and non-profit institutions. Green practices are constantly evolving, adherence to environmentalist dictates and the legal acts by government regulations have been argued for the increased attention on the subject. Given the many definitions of green marketing as alluded to earlier, there is still some confusion about what green marketing is, what are its indicators, and how do we measure green practices? These and many more questions comprise the basic conceptual issues that consumers still struggle to understand in the green marketing discussion. To ensure that the expected goals of the green movement are achieved, all stakeholders must be fully integrated into the green narrative to play active roles.

Green marketing is a crucial aspect of the sustainability practices which businesses are expected to integrate into their strategic and operational activities. With the right green marketing approach, firms would be on the path to contributing immensely to social and economic sustainability.

## 1.2 Issues and Conceptualisation

The argument on whether organisations can be green and profitable at the same time is prominent amongst issues that explain why many businesses in emerging economies are yet to adopt the green marketing practice. Ever since Polonsky and Rosenberger (2001) asked if businesses can be sustainability-conscious and profitable simultaneously, numerous studies have tried to provide answers (e.g. Moravcikova et al., 2017; Stevels, 2001; Syaekhoni et al., 2017; Yadav et al., 2016). It is evident through the findings of these studies that businesses can be sustainable and profitable at the same time. As a result of continuous findings through research and practice, businesses are beginning to inculcate green marketing management practices into the core of their business strategies (Sukhu & Scharff, 2018). To this end, it is not sufficient for businesses to adopt green marketing and management practices, but they must understand the strategic and operational antecedents of green marketing success. The growing environmental concerns affecting the wellbeing of the society, including air pollution, global warming, and environmental degradation which are outcomes of unsustainable business practices, demand that businesses engage in green marketing and implement it successfully (Martinez, 2015).

The drive towards ensuring that green marketing achieves its desired outcomes has led to various studies trying to identify the “what and how” of green marketing success. For instance, Chahal et al. (2014) identified green innovation, green process, green strategic policies, green supply chain management, and proactive energy as determinants of green marketing success in small and medium-sized enterprises (SMEs) in India. Yadav et al. (2016) identified green image as an integral aspect of green marketing that significantly affects the corporate image of hotels in India. Researchers (e.g. Sukhu & Scharff, 2018; Martinez, 2015) conceptualised green trust, green image, and green satisfaction as determinants of customer loyalty. Though green marketing has gained traction, some researchers have argued that green marketing practice increases costs and slows down business processes. Resultantly, it has a negative impact on firms’ core competitiveness and economic performance (Ambec & Lanoie, 2008; Naffziger et al., 2003). In addition, cultural dynamics are

considered to be impacting both positively and negatively on green marketing (Papadas & Avlonitis, 2014). More empirical research on the role of culture and implementation of green marketing activities is still needed.

Liu et al. (2012) proposed a green marketing framework based on the six Ps of Product, Planning, Process, People, Project, and Promotion. We posit that two additional Ps of Positioning and Place are also of importance. Under Positioning, effective green marketing communications will enable organisations to position themselves as promoters of green practices and gain competitive advantage. Positioning will create top of mind awareness of the company as a provider of green products and services. Utilising the P of Place will ensure good customer experience through environmentally friendly service delivery platforms. Additionally, channel intermediaries can be encouraged to imbibe green practices. The Ps of green marketing can serve as a benchmark for companies to assess their green marketing efforts.

It is crucial that organisations integrate green marketing into core business activities and ensure that it permeates every aspect of the business (Epstein, 2008). Thus, green marketing must be applied as a strategic and operational component of the business and not a response to societal and regulatory pressures. Singh and Pandey (2012) posit that green marketing implementation and adherence to green practices among corporations were primarily due to government pressure and legislation. Subsequently, these regulations create an environment that promotes going green and green marketing strategies that provide a valuable competitive advantage (Vural, 2015). The conceptual development of green marketing is placed on its role in responding to socio-economic challenges, acting as a vehicle to imbibe the culture of environmental responsibility in businesses which becomes a driver of sustainability practices in the larger society. Studies have established a strong connection between environmental concerns, a green market, ecopreneurship, and sustainable development (Camilleri, 2018; Chen et al., 2015; Mukonza & Swarts, 2019).

To address environmental concerns, key aspects of green marketing such as green packaging, recycling, green operations, green logistics, green advertisement, green communication, and green distribution have emerged. Green marketing has a responsibility to educate, inform,



remind, and persuade consumers so that they can choose discerningly and contribute to a more rational environmental attitude (Kardos et al., 2019). Despite the concomitant benefits of effective green marketing, some firms have been reported to be only undertaking quasi-green marketing (this is when a firm develops a green product but does not apply the principles of green pricing, green distribution, and green promotion) (Agustini et al., 2019). This implies that though an organisation has a green product offering, it does not take advantage and emphasise the green characteristics of the product in its pricing, distribution, and promotion programmes. Therefore, reference to these characteristics is limited in their marketing strategy.

Leonidou and Leonidou (2011) identified three central tenets of green marketing: strategic green marketing, tactical green marketing, and internal green marketing. Strategic green marketing orientation (SGMO) considers the long-term, top management actions and policies specifically focusing on corporate environmental strategy (Banerjee, 2002). Tactical green marketing orientation (TGMO) involves short-term actions that transform the traditional marketing mix of product, price, place and promotion. This dimension includes product-related decisions to reduce the environmental footprint (e.g. Pujari et al., 2003).

Internal green marketing orientation (IGMO) involves the pollination of environmental values across the organisation to embed a broader corporate green culture (Papadas & Avlonitis, 2014). It includes efforts to promote environmental awareness inside the organisation, through employee training. Green strategic, tactical, and operational activities often lead to business development, improvement of the natural ecosystem, and increased quality of life. Green marketing requires marketing and management strategies that can effectively address critical challenges relating to “how we define green, how we develop green products that customers will like, and how we communicate our commitment and initiatives with credibility and impact” (Ottman & Humphrey, 1993).

### 1.3 Strategic and Operational Perspectives of Green *Marketing*

Green marketing is a strategic issue (Donald, 2009), not only because being green makes a firm “good” and because being green pays. A green market orientation influences the degree and extent to which firms adjust their organisational and environmental goals to increase customer satisfaction and have a sustainable competitive advantage (Fraj et al., 2013, Papadas et al., 2017).

Building strong green industrial brands requires green marketing, green operations and green supply chain management. Also, globalisation and inter-national sourcing exert extra pressure on designing and implementing a truly green and sustainable supply chain from a global perspective. Green marketing, green brand image, and corporate social responsibility (CSR) are interrelated. Thus, brands established on genuine CSR identity are more likely to change-resistant consumers and invite loyal ones (Pérez, 2009).

Punitha and Rasdi (2013) suggest that since there are a myriad of green initiatives within the industry, future research may focus on green practices employed by businesses, not-for-profit organisations, and communities which can provide more significant insights to the literature on strategic green operations perspectives and sustainable development. Thus, this book seeks to fill the literature gap by highlighting some strategic and operational perspectives of green initiatives. The strategic perspective covers green consumer behaviour, consumer buying behaviour for green products, and green-integrated marketing communication. The operational perspective discusses key aspects such as green product management, green initiatives in logistics social responsibility, green washing and the challenges in being transparent to the consumers, green marketing orientations, and firm performance. Strategic and operational issues are crucial to the success of green marketing, and therefore, require urgent attention in the quest towards sustainable business practices for sustainable development in emerging markets.

## 1.4 Format of the Book Chapter

The book is categorised into four distinct parts to aid the understanding of the discourse in the book.

Part I provides an introduction to green marketing with two chapters. Chipo Mukonza, Robert E. Hinson, Ogechi Adeola, Isaiah Adisa, Emmanuel Mogaji and Ayca Kirgiz, in Chap. 1, examined the concept of green marketing and provided discussions on green marketing practice and issues. Issues such as the adoption of green marketing and the appropriate definition of the concept of green marketing in emerging markets were highlighted. John N. Molepo and Thanyani Madzivhandila examined green business practices in emerging economies in Chap. 2. The authors noted the challenges of non-sustainable practices on business and the larger society and proposed green marketing as a crucial activities that organisations must undertake.

Part II focuses on the strategic perspectives on green marketing. Nathaniel Newman, in Chap. 3, provided an overview of the concept of green marketing. Andrews Agya Yalley and Kojo Kakra Twum in Chap. 4 considered consumer behaviour and green marketing. The authors argued that for effective green marketing of firms' eco-friendly products, there must be an understanding of consumer behaviour in shifting consumer attitudes and behaviour towards purchasing, consumption, and disposal of eco-friendly products. In Chap. 5, Vishal Kumar Laheri and Anuradha Malik examined consumer buying behaviour with regards to green products and related this to the Indian context. The chapter presented an overview of the theoretical outlook on green product management, green products market in India, and green marketing practices adopted by top Indian companies and companies worldwide. The behavioural aspects of consumer towards green products were also discussed with reference to Indian consumers. Kojo Kakra Twum and Andrews Agya Yalley in Chap. 6 highlighted the importance of integrating green marketing communication. Green marketing communication influences consumer behaviour, organisational image, and branding. The authors recommended that green marketing communication should be integrated into marketing activities of organisations in emerging markets.

Part III of the book focuses on green marketing's operational perspective, particularly product management, logistics green marketing orientations, green washing, and firm orientations. Khathutshelo Makhitha, in Chap. 7, examined green product management in emerging markets with perspective from South Africa. Makhitha observed that companies in South Africa need to increase and enhance their marketing efforts to encourage consumers to adopt green products and to increase their awareness of what to look for in green products. In Chap. 8, Berk Kucukaltan empirically examined green initiatives in logistics and social responsibility in Turkish logistics industry. Kucukaltan observed that players in Turkey's logistic industry need to adopt sustainable practices and recommended that the adoption of green initiatives will enhance competitive advantage and sustainable development. Gül Kaner, in Chap. 9, provided a practical example of a case study on green washing which is disinformation about offerings of a company and the importance of transparency in the communication of every stage of green businesses. Ajike Emmanuel and Adefulu Adesoga in Chap. 10 explored literature to provide discussions on green marketing orientations, and firm performance in Nigeria and the authors observed that green marketing orientations affect firm performance in the country.

Part IV concludes the book with Opportunities, Challenges and Implications for theory, practices, and policy formulation. Daniel Ofori, in Chap. 11, discussed the opportunities and challenges of green marketing while Chipso Mukonza, Ogechi Adeola, and Isaiah Adisa highlighted the implications for theory, practice, and policy formulation in Chap. 12.

## 1.5 Conclusion

Green marketing has emerged as a marketing philosophy, with a focus on sustainable growth. Numerous factors have led to the adoption of green marketing practices, such as changing customer preferences, government regulations and the need for organisation to position themselves as environmentally friendly brands. Therefore, green marketing highlights a new dimension of businesses' economic, social, and environmental responsibilities. Green marketing is premised on the knowledge that a

relationship exists between the natural environment and the organisation. This book seeks to understand how to influence consumer behaviour towards sustainability practices, provide strategic and operational perspectives of green marketing, and discuss how companies can promote green products, green innovations, and embark on green awareness campaigns to satisfy customer needs and wants in contemporary times.

## References

- Agustini, D. H., Athanasius, S. S., & Retnawati, B. B. (2019). Identification of green marketing strategies: perspective of a developing country. *Innovative Marketing, 15*(4), 42–56.
- Ambec, S., & Lanoie, P. (2008). Does it pay to be green? A systematic overview. *The Academy of Management Perspectives, 45*–62.
- Banerjee, S. B. (2002). Corporate environmentalism: The construct and its measurement. *Journal of business research, 55*(3), 177–191.
- Bhalerao, S. (2014). Green marketing: a new marketing strategy for environmentally compatible products. *International Journal of Development Research, 4*(8), 1531–1538.
- Camilleri, M. A. (2018). Closing the loop for resource efficiency, sustainable consumption and production: A critical review of the circular economy. *International Journal of Sustainable Development, 21*(1–4), 1–17.
- Chahal, H., Dangwal, R., & Raina, S. (2014). Conceptualisation, Development and Validation of Green Marketing Orientation (GMO) of SMEs in India: A Case of Electric Sector. *Journal of Global Responsibility, 5*(2), 312–337.
- Chamorro, A., & Bañegil, T. M. (2006). Green Marketing Philosophy: A Study of Spanish Firms with Ecolabels. *Corporate Social Responsibility and Environmental Management, 13*(1), 11–24.
- Chen, Y. S., Lin, C. Y., & Weng, C. S. (2015). The influence of environmental friendliness on green trust: The mediation effects of green satisfaction and green perceived quality. *Sustainability, 7*(8), 10135–10152.
- Donald, S. S. (2009). Green Management Matters Only if it Yields More Green: An Economic/Strategic Perspective. *Academy of management perspectives, 23*(3), 5–16.
- Epstein, M. J. (2008). *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental and Economic Impacts*. Greenleaf.

- Fraj, E., Martínez, E., & Matute, J. (2013). Green marketing in B2B organisations: an empirical analysis from the natural-resource-based view of the firm. *Journal of Business & Industrial Marketing*, 28(5), 396–410.
- Kardos, M., Gabor, M. R., & Cristache, N. (2019). Green marketing's roles in sustainability and ecopreneurship. Case study: Green packaging's impact on Romanian young consumers' environmental responsibility. *Sustainability*, 11(3), 873.
- Katrandjiev, H. (2016). Ecological Marketing, Green Marketing, Sustainable Marketing: Synonyms or an Evolution of Ideas. *Economic Alternatives*, 1(7), 71–82.
- Konar, S., & Cohen, M. A. (2001). Does the Market Value Environmental Performance? *Review of Economics and Statistics*, 83(2), 281–289.
- Leonidou, C. N., & Leonidou, L. C. (2011). Research into environmental marketing/management: a bibliographic analysis. *European Journal of Marketing*.
- Li, Y., Ye, F., Sheu, C., & Yang, Q. (2018). Linking green market orientation and performance: Antecedents and processes. *Journal of Cleaner Production*, 192, 924–931.
- Liu, S., Kasturiratne, D., & Moizer, J. (2012). A Hub-and-Spoke Model for Multi-Dimensional Integration of Green Marketing and Sustainable Supply Chain Management. *Industrial Marketing Management*, 41(4), 581–588.
- Martínez, P. (2015). Customer Loyalty: Exploring its Antecedents from a Green Marketing Perspective. *International Journal of Contemporary Hospitality Management*, 27(5), 896–917.
- Mishra, P., & Sharma, P. (2010). Green marketing in India: Emerging opportunities and challenges. *Journal of Engineering, Science and Management Education*, 3(1), 9–14.
- Moravcikova, D., Krizanova, A., Kliestikova, J., & Rypakova, M. (2017). Green Marketing as the Source of the Competitive Advantage of the Business. *Sustainability*, 9(12), 2218.
- Mukonza, C., & Swarts, I. (2019). Examining the Role of Green Transformational Leadership on Promoting Green Organizational Behavior. In *Contemporary Multicultural Orientations and Practices for Global Leadership* (pp. 200–224). IGI Global.
- Naffziger, D. W., Ahmed, N. U., & Montagno, R. V. (2003). Perceptions of environmental consciousness in US small businesses: An empirical study. *SAM Advanced Management Journal*, 68(2), 23.
- Ottman, J. A., & Humphrey, H. H. (1993). *Green marketing* (Vol. 2). Illinois–USA: NTC Business Books.

- Papadas, K. K., & Avlonitis, G. J. (2014). The 4 Cs of environmental business: Introducing a new conceptual framework. *Social Business, 4*(4), 345–360.
- Papadas, K. K., Avlonitis, G. J., & Carrigan, M. (2017). Green marketing orientation: Conceptualization, scale development and validation. *Journal of Business Research, 80*, 236–246.
- Pérez, R. C. (2009). Effects of Perceived Identity Based on Corporate Social Responsibility: The Role of Consumer Identification with the Company. *Corporate Reputation Review, 12*(2), 177–191.
- Polonsky, M. J., & Rosenberger III, P. J. (2001). Reevaluating green marketing: a strategic approach. *Business horizons, 44*(5), 21–30.
- Pujari, D., Wright, G., & Peattie, K. (2003). Green and competitive: Influences on environmental new product development performance. *Journal of business Research, 56*(8), 657–671.
- Punitha, S., & Rasdi, R. M. (2013). Corporate social responsibility: Adoption of green marketing by hotel industry. *Asian Social Science, 9*(17), 79.
- Rahman, I., Reynolds, D., & Svaren, S. (2012). How “Green” Are North American Hotels? An Exploration of Low-Cost Adoption Practices. *International Journal of Hospitality Management, 31*(3), 720–727.
- Singh, P. B., & Pandey, K. K. (2012). Green marketing: policies and practices for sustainable development. *Integral Review, 5*(1), 22–30.
- Soonthonsmai, V. (2007). *Environmental Or Green Marketing As Global Global Competitive Edge: Concept, Synthesis, And Implication*, EABR (Business) & ETLC (Teaching) Conference Proceedings, Venice, Italy.
- Stevens, A. (2001). Five ways to Be Green and Profitable. *The Journal of Sustainable Product Design, 1*(2), 143–144.
- Sukhu, A., & Scharff, R. (2018). Will ‘Doing Right’ Lead to ‘Doing Well’? An Examination of Green Behavior. *Journal of Consumer Marketing, 35*(2), 169–182. <https://doi.org/10.1108/JCM-04-2016-1778>
- Syaekhoni, M. A., Alfian, G., & Kwon, Y. S. (2017). Customer Purchasing Behavior Analysis as Alternatives for Supporting in-Store Green Marketing Decision-Making. *Sustainability, 9*(11), 2008.
- Vural, C. A. (2015). Green marketing: A conceptual framework and suggestions for industrial services marketing. In *Handbook of Research on Developing Sustainable Value in Economics, Finance, and Marketing* (pp. 63–85). IGI Global.
- Yadav, R., Kumar, D. A., & Swaroop, P. G. (2016). The Influence of Green Marketing Functions in Building Corporate Image: Evidences from Hospitality Industry in a Developing Nation. *International Journal of Contemporary Hospitality Management, 28*(10), 2178–2196.



# 2

## Green Business Practices in Emerging Economies

John Ntshaupe Molepo  
and Thanyani Selby Madzivhandila

### 2.1 Introduction

The environment problems predate decades. According to Madzivhandila (2015) “the environmental problems that have been created by fear of resource scarcity as a major environmental concern in the 1960s and 1970s resulted in a rush of the unprecedented use of natural resources to grow economies” and business (growth-mania) of many of the first world countries during that time (Adams, 2001; Banuri & Opschoor, 2007; Cuia et al., 2019; Hasan et al., 2019; Kimengsi et al., 2019; Swart et al., 2003; Redclift, 2005). During this time, business and development efforts “were obsessed with excessive use of environmental resources, industrialisation and market forces for economic growth” purposes (Adams, 2001; Madzivhandila, 2014; Madzivhandila, 2015; Kimengsi

---

J. N. Molepo (✉) • T. S. Madzivhandila  
School of Development Studies, University of Mupumalnga,  
Nelspruit, South Africa  
e-mail: [john.molepo@ump.ac.za](mailto:john.molepo@ump.ac.za); [t.madzivhandila@ump.ac.za](mailto:t.madzivhandila@ump.ac.za)



et al., 2019). However, to address this environmental calamity and because of efforts such as environmental principles adopted at the Rio Earth Summit in 1992, green economy and business have been thought of as a solution. “Green business/capitalism is perceived as a set of responses to environmental challenges and environmentalism that relies on harnessing capital investment, individual choice, and entrepreneurial innovation to the green course” (Madzivhandila, 2015; Hasan et al., 2019). It requires both businesses and consumers to shift paradigms towards the support of environmental and sustainable development goals. Whereas, most businesses continued to practice “defensive greenness” since the 1970s, by only obeying laws in order to reduce liability without necessarily taking environmental concerns seriously and purporting “green cosmetic corporate images”, pressures from Trade Unions and NGOs raising environmental concerns; corporate self-interest to reduce inspections by regulatory bodies and green ethical investment policies adopted by some powerful companies forced them to change (Adams, 2001; Chuen Chan et al., 2018; Cuia et al., 2019; Madzivhandila & Niyimbanira, 2016; Redclift, 2005; Swart et al., 2003). However, many other corporates have adopted different strategies to contribute towards greening their business practices out of their own volition. Many firms and companies in developed countries have adequately achieved green exercise and adopted principles and practices which does not only protect the environment but also people and their livelihoods (Chuen Chan et al., 2018; Cuia et al., 2019; Hasan et al., 2019). The central concentration on green business practice and shared experiences have long been in developed countries. Developed countries have intensified the facilitation of activities such as green marketing, use of consumer protection bodies, eco-labelling, total quality management and signing of covenants to foster greening of business (Romis & Coslovsky, 2019). Consequently, fundamental questions which need to be asked are: “What is happening in the emerging economies” and “What are some of green business practice and experiences in small emerging economies or developing countries?”. To answer these questions, this chapter looks at the selected green practice in emerging countries and their drivers. The first part of the chapter deals with the conceptual framework and overview of the concept of green business. Secondly, the chapter looks at some of the

green business practices in emerging economies, followed by case studies from Brazil, South Africa and China. The chapter further looks at the future of the green economy and business in emerging economies before a conclusion is provided. The chapter adopts an integrative literature review method in order to analyse critiqued and synthesised theoretical texts on issues of green business. Examples from China, Brazil and South Africa are used to demonstrate green business practices in developing and/or emerging economies.

## 2.2 Conceptual Framework and Overview

The quest and paradigm shift towards cleaning economic and business processes to become environmentally friendly and responding to the sustainable development goals has been challenging to achieve for most developing and even developed countries (Christelis, 2013; de Jong et al., 2016; Madzivhandila, 2014; Smith & Perks, 2010; Young, 2013). Whereas the financial muscles of most developed countries eventually allowed them to adapt to the new protocols of green development, economics and business and adopt clean technologies, it has been difficult for small emerging countries to do the same due to other pressing issues they are facing such as high levels of poverty, unemployment and inequalities. The ideas of greening development and its processes came about in different ways. Different concepts have been used to explain what greening of development is about (Chuen Chan et al., 2018; Cuia et al., 2019; Hasan et al., 2019; Kimengsi et al., 2019). Development processes such as economic growth, business, capitalism, entrepreneurship, trade and innovation amongst others have been in the spotlight of the sustainable development campaign since the 1970s. To get clarity on this process and relate them to the current trends, conceptualisation is of utmost importance.

The importance of clarifying concepts assists in ensuring that individuals understand the subject they embark on. Molepo (2019, pp. 68–69), Molepo and Maleka (2018, p. 760) and Maserumule (2004, p. 78) suggest that the clarification of concepts is a very important intellectual exercise that needs to be seriously inculcated among policymakers. It must

precede any policy development initiative to ensure that the objectives intended to be achieved are properly captured and clearly understood using appropriate concepts, as they are important tools used in the process; hence it is imperative to dissect concepts as the green economy, green development, green business practice and green growth as they are used interchangeably with different meanings. Plac (2019, p. 82) defines a green economy as a concept that constituted an answer to the non-appreciation of environmental and social costs in a market economy system. Currently, the UNEP defines a green economy “as a low-carbon, resource-efficient and inclusive economy, where an increase in income and employment is driven by public and private” sectors’ investment. The UNDP defines a green economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities (Shah et al., 2016).

Kanchan, Kumar and Gupta (2015, p. 94) define “the green business as a sustainable business that meets customers’ needs in ways that solve rather than cause environmental and social problems”. Furthermore, “green businesses operate across all business sectors from the production of conventional goods/services to developing new breakthrough technologies” (Kanchan et al., 2015). Furthermore, Kanchan, et al. (2015, p. 95) allude that green business is “focused on sustainability”, in environmental and resource terms, is well understood by business and its customers alike. While there is a difference in how rigorously that is applied, in practice, the value of labelling business as green is clear and cannot be ignored, as numerous surveys of consumers and business executives show. In addition to these main concepts, certain concepts tie with the green economy, such as green marketing and others. Lazar (2017, p. 66) states that “green marketing is effectively addressing the needs of consumers with heightened environmental and social consciousness”. Furthermore, “green marketing affects how a company manages its business and interacts with all of its stakeholders who may be affected by its environmental and social practices”.

According to Hasan et al. (2019), the concept “green has almost the same meaning as sustainability and is often used interchangeably”. This means that to be green means to practice environmental consciousness which goes beyond just caring for the environment but adopting

practices that prevent it from being harmed and exploited (Cuia et al., 2019; Hasan et al., 2019). Over the years, most environmental damage or exploitation has come through economic growth related to obsessions. Thus, for the goal of greening development to be achieved, economic growth-related activities had to be modified through the process known as “green economics”. Green Economics which is also known as “green growth” strives for goals of cutting extravagant resources exploitation and seeking sustainable growth and development (Adams, 2001). Whereas the concept of green economics was initially accused of being used by companies and businesses on their desire to amass wealth using the environmental card, it eventually came to be known for searching alternative pathways for environmental management through business. “Green growth” also “encompasses job creation or economic growth that is either compatible with, or driven by reduced emissions, improved efficiencies in the use of natural resources, and protection of ecosystems” (Kimengsi et al., 2019, p. 10). Furthermore, Kimengsi et al. (2019) argues that ultimately green growth should accelerate the “process of promoting livelihood activities that, at best, promote environmental and social development and leave minimal harm to the environment or human welfare” (Kimengsi et al., 2019, p. 10). One of the fundamental steps towards achieving this is to adopt greening as one of the major economic activities.

Unfortunately, it can be argued that most businesses adhere to sustainable growth because of regulation; it is seldom because of an evident opportunity to prevent pollution and managing waste or recognising the strategic importance of environmental issues (Christelis, 2013; de Jong et al., 2016; Madzivhandila, 2014; Young, 2013). Businesses adopt the idea of greening because they “are facing increased competitive, regulatory and community pressures” (Smith & Perks, 2010). Smith and Perks (2010) further argued that whereas the adoption of ideas pertaining to green development, environmental taxes, pollution control economics and sustainable development amongst others, the practice and underlying motive for business have remained unchanged. Most businesses have adopted a cosmetic approach towards greening. They have failed to maximise “efforts to minimise the negative environmental impact of their firm’s product through their life cycle” (Romis & Coslovsky, 2019). Nevertheless, and all scepticism, government regulatory bodies and

consumer pressure groups have continued their efforts to be aggressively lobbied for businesses and co-operations to adopt green practices. The theory underlying the argument for this chapter is green theory. In “green theory, ecological thought addresses the interests of nature itself rather than only the interests of humanity in nature” (Dyer, 2018). “Green theory captures this orientation in political terms of value and agency (Goodin, 1992) what is to be valued, by whom and how to get it.” “Green theory belongs to the critical theory tradition, in the sense that environmental issues evoke questions about relations between and among humans in the context of community and collective decision-making” (Dyer, 2018). The other theory and/or paradigm taken into consideration for this chapter is sustainable development theory. “Sustainable Development Theory is the theory of development goals achieving the needs of humans for future generations, primarily to provide natural and ecosystem resources”. The two theories form a critical base for the chapter’s ideas on the practice of green business in emerging economies.

### **2.2.1 The Etymology of Green Economy and Green Business**

For past decades, the issue of climate change and environmental devastation necessitated the new economic model. Several conferences were held to discuss the pathway to the new economic model. The first major conference was held in Stockholm from 5 to 16 June 1972, and it was the United Nations Conference on the Human Environment. It was the UN’s first foremost “conference on international environmental issues and marked a turning point in the development of international environmental politics” (UNEP, 2009). The conference declared 26 principles on environmental issues. According to the United Nations Conference on the Humana Environment Report (1972), some of the proclamations touched on issues such as the protection and improvement of the human environment. Subsequently, in 1987, the World Commission on Environment and Development (WCED), which had been set up in 1983, published a report entitled “Our common future”. The report highlighted some of the critical global environmental problems, which

were primarily the result of the enormous poverty of the South and the non-sustainable patterns of consumption and production in the North.

In 1992 the Rio earth summit was held and gave birth to the ideas of environmental protection through the greening of economies. The United Nations Conference on “Sustainable Development” took place in Rio de Janeiro, Brazil on 20–22 June 2012. A clear and practical measure for implementing sustainable development document was developed, which resulted in a political outcome and cemented the need to respond to the growing global threat of climate change. The conference also adopted the guidelines on green economy and subsequent new economic models, which led to the adoption of different green business practices across the globe.

### 2.2.2 Green Business Practice

The facilitation of green business practices is met with a variety of questions and challenges. The questions have always been about, “which policy intervention and on what level of governance can lead to sustained economic growth while there is a reduction of the carbon footprint”? Whose responsibility is it to facilitate and enforce these processes? Is it government, consumer protection bodies or the business itself responsible? Answering these questions has and still is the most challenging task to undertake (Madzivhandila, 2015). Firstly, enforcing business practices meant investing in changing business behaviour. Thus, businesses and firms, particularly those emerging, are fearful of losing money (Smith & Perks, 2010). In most developing countries, the assumption is that the green economy and green business are only afforded by wealthy or developed countries. Furthermore, “there is fear that green products, as is often the case, are more expensive to produce, and consumers are often reluctant to pay more for them just because they are greener” (Kimengsi et al., 2019; Romis & Coslovsky, 2019; Smith & Perks, 2010). This is evident as the majority of consumers in emerging economies are poor and mostly consider the price rather than the greenness of the product before buying. In other cases, consumers find greener products less attractive compared to conventional alternatives.

Despite the challenges of enforcing greenness in developing or emerging economies, most businesses continue to perpetually warm up to the idea. Smith and Perks (2010) said that most companies including those emerging are aware that environmental issues are significant to the long-term survival and viability of business and economics (Cuia et al., 2019; Hasan et al., 2019; Kimengsi et al., 2019). It is becoming evident that the development and modernisation of the entrepreneurial environment, for example, in the twenty-first century, require companies to adopt green business strategies. In other words, to guarantee the future of companies, there is a need to incorporate an environmental dimension into their strategic planning and management processes. Ultimately, the “natural environment has become an important variable within current competitive scenarios”, and businesses are required “to develop new and innovative ways to enhance their global competitiveness” and that includes greening of their processes (Madzivhandila, 2014; de Jong et al., 2016; Young, 2013). The frequently asked question currently amongst business peers is, “How green is your company”. Whereas this is more adamant in the developed world, businesses in emerging economies are starting to view greening of business “as an extremely effective solution to restore environmental prospects, employment, and economic growth” (Christelis, 2013, p. 12).

Businesses are finding ways to “utilise suitable strategies for sustainable business to exploit win-win situations that reconcile environmental protection and financial services” (Christelis, 2013, p. 11). In other words, business is finding ways to “hit more than two birds with one stone”. Business is finding ways to enhance their “competitiveness through improvements in environmental performance, comply with environmental regulation, addressing the environmental concern of customers and reducing the environmental impact of its product and service activities” at the same time (Christelis, 2013; Smith & Perks, 2010; Young, 2013). Some of the best examples of greening business, particularly in emerging economies, have been in nature conservation-related business, product packaging, construction and technology.

### 2.2.3 Greening of Nature Conservation

World Wildlife Fund (WWF) has been at the forefront of greening in the nature conservation sector. WWF responded as a countermeasure to the “growing decline in global environmental health, models on the “green economy” to significantly gained ground in all spheres of conservation and development interventions” (Christelis, 2013). Through its Climate Savers Programme, WWF has initiative aimed at cleaning the economy through “targeting predominantly carbon reduction solutions, in addition to the energy efficiency of products; energy efficiency in processes or facilities; energy-saving products; transport efficiency; fuel switching to natural gas or increased use of co-generation; conversion to renewable energy; develop and implement carbon analysis tools for business decisions” (Christelis, 2013, p. 12). The work of WWF has been influenced by the “rising interests to support green development through targeted conservation approaches in the developing world” in the 1990s. This attracted the attention of international NGOs to invest their time and effort towards greening conservation particularly in Africa (Kimengsi et al., 2019). For example, “in the case of Cameroon, one of the key areas of intervention has been the introduction of green business initiatives as a way of strengthening the link between livelihood support and conservation in protected areas” (Kimengsi et al., 2019, p. 9). Other activities of WWF include, for example, various programmes to innovate business and create cleaner economic programmes that have specific objectives that are in line with environmental protection (Christelis, 2013).

## 2.3 Recycling

One of the direct by-products of green business principles has been the issue around the reduction of waste through recycling and re-use. Hasan, et al. (2019, p. 327) highlighted that the “industrial development of environmental management is reflected in the growth and development of commodities, the management of the service sector, the use of renewable resources, waste management as a by-product”. Historically,



environmental policies emphasised the “treatment of pollution and waste, and thus on end-of-pipe solutions rather than on production and disposal processes”. In recent times, there have been constant efforts to reverse this process and reduce the use of natural properties by using other sources (Kimengsi et al., 2019; Romis & Coslovsky, 2019). This has been seen as having a hugely “positive outcome such as keeping the environmental footprint small, reducing waste, and re-using materials as much as possible” (Romis & Coslovsky, 2019). Businesses have as well taken advantage of these processes. Businesses are realising that reducing the quantity of waste, re-using wasted materials, and recycling them as by-product or as raw materials for other products decreases costs through environment-friendly processes, thus creating a second stream of revenue for them (Hasan et al., 2019, p. 328). One of the common ways this has been done has been through sustainable packaging. In Europe for example “producers of consumer goods, including home and personal care products, have been expressing a growing commitment to recycled content, recyclability, and other strategies that decrease the environmental impact of their packaging” (Kelly et al., 2016, p. 32). Facilitated through The European Packaging and Packaging Waste Directive, “all member states of the European Union are required to ensure that all packaging placed on the EU market complies with certain essential requirements relating to its manufacturing, composition, and end of life” (Lazar, 2017, p. 66). Targeting packaging to enforce green business fits well with the life cycle of companies in those industries. For example, in Latin America and the Caribbean, 80% of the population lives in cities (World Bank, 2017), and a large proportion of the goods they consume come in bottles, cans, cartons, boxes or some other container. Thus greening through packaging becomes essential in these areas.

### 2.3.1 Construction and Technology

One of the most recent and common terminologies in the green business environment is the adoption of green building technologies (GBT). For years, it has been “widely accepted that the construction industry has harmful impacts on the environment, economy, and society”. For

instance, it is estimated that the sector consumes up to 40% of the total energy and accounts for up to 30% of the total annual greenhouse gas emissions at the global level (United Nations Environment Programme (UNEP), 2011). So adopting greenness in these industries is of paramount importance. The UNEP (2009) report stated that with the adoption of appropriate GBTs, a 30–80% cut in building energy consumption is attainable. Chuen Chan et al. (2018) highlighted that what is assuring is that, green building has been well received by governments around the world as a strategy for improving the sustainability of the construction industry. Green building is considered “the practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building’s lifecycle” (Chuen Chan et al., 2018). For instance, the adoption of several green building technologies such as solar technology, prefabricated concrete technology and green roof technology has been adopted for implementing green projects. This has helped with not only environmental benefits but also economic, and social benefits, such as increased water efficiency, improved productivity, enhanced human health and well-being, improved indoor environmental quality and higher property value (Chuen Chan et al., 2018; Cuia et al., 2019; Hasan et al., 2019). Nevertheless, and “although green building technologies (GBTs) have been advocated in the construction industry to address sustainability issues, their adoption is still plagued with barriers” particularly in developing countries (Chuen Chan et al., 2018; UNEP, 2011). “A comparative analysis showed that the most critical barriers to GBTs adoption in a developing country such as Ghana mostly vary from those in the developed countries of the United States” (Chuen Chan et al., 2018). These barriers include but are not limited to higher initial costs of GBT, limited knowledge and skills.

## 2.4 Evidence from Brazil, South Africa and China

Brazil, South Africa and China are used as a case study in this chapter to demonstrate some of the green business activities implemented in emerging economies. The following countries are from different continents with an emerging economy.

### 2.4.1 Brazil as a Case Study

When it comes to greening of economic activities and business in developing countries, Brazil fits the criteria to be a leading example (Young, 2013). The country has a variety of activities that require greening such as those in tourism and conservation. For instance, Brazil is known as “the Earth’s biodiversity champion. Between the Amazon rainforest and Mata Atlantica forest, the woody savanna-like cerrado, the massive inland swamp known as the Pantanal, and a range of other terrestrial and aquatic ecosystems, Brazil lead the world in plant and amphibian species counts” (Spatuzza, 2013; Young, 2013). “It ranks second in mammals and amphibians, third in birds, reptiles and fish” (Spatuzza, 2013). In other words, the country is rich in natural resources, thus require robust strategies to protect its environment. Spatuzza (2013) categorised activities that Brazil can take advantage of and create opportunities for greening as follows:

**Untapped renewable energy resources:** The attraction of wind power investment resulted in more than \$10 billion injection, and this resulted in the growth of the sector which grew from 323 megawatts (MW) in 2008 to more than 3 gigawatts (GW) (Spatuzza, 2013).

**Energy efficiency:** Brazil already has about 70% of its electricity generated from renewable sources, such as large-scale hydropower, biomass and wind power, which removes the possibility of financing energy efficiency measures through carbon credits (Spatuzza, 2013). There are current efforts by the government to efficiently reducing energy consumption in homes, shops, factories and government buildings.

**Green buildings: Legislation to encourage the use of green building technologies has been achieved** in many towns in Brazil. Such achievements include giving land charge discounts for projects that recycle water, reduce waste generation or use renewable energy. As a result, many green building product suppliers have opened in the country in the past five years.

**Funds, financing and universities:** Brazil has put in place several programmes, ranging from cheap loans to government grants for small and large businesses, to boost innovation and foster partnerships between the private sector and academia.

Another noticeable example of green business in Brazil is the activities of Natura, one of the biggest eco-packaging companies in the country. Natura is a celebrated leader in eco-packaging (Kelly et al., 2016). It uses a life-cycle assessment to gauge the environmental impact of all its activities. Natura has made important steps towards adopting eco-packaging for its products, through a combination of employing refills and using both post-consumer recycled (PCR) PET (lightweight plastic) and green polyethylene (PE) materials. This has successfully lowered the company's impact on the environment over time. With all these efforts, it is still evident that more still needs to be done. The total "transition towards a green economy will not take place without structural reforms, changing the role of the Brazilian state and the regulatory framework for this to happen" (Romis & Coslovsky, 2019). Some of the regulations and plans prioritised by Brazil include the country playing an important role in promoting environmental commitments at the international level, hosting the 1992 and 2012 UN Conferences on Sustainable Development. In 2002, the Brazilian Agenda 21 was launched which comprised of a series of objectives relating to sustainable development such as social inclusiveness, strategic use of natural resources and the promotion of an economy of savings and knowledge. In 2008, the National Plan on Climate Change was launched which encourages better production practices through more efficient use of natural, human, technological and scientific resources, promotes the diffusion of biofuels, eliminating the net loss of forest coverage by 2015, increasing energy efficiency and more extensive deployment of renewable energy sources (United Nations Environment Programme, 2009). Brazil launched programmes "such as

Alternative Energy Source Incentive Programme (PROINFA), the National Energy Conservation Programme (PROCEL), the National Programme for the Rational Use of Oil and Natural Gas, the National Biodiesel Production and Usage Programme (PNBP)” (United Nations Environment Programme, 2009).

## 2.4.2 South Africa as a Case Study

Whereas “South Africa has been making significant progress with environmental management in the last decade by implementing laws and strategies that focus on sustainable development and green issues, most businesses still do not recognise the need to become green” (Christelis, 2013, p. 20). It is more difficult for the country to be green when more than 80% of its energy (electricity) production is made out of coal, which is regarded as the worse emitter of greenhouse gases in the environment. In the retails sector, various local actors “have initiated a transition to the formation of a green economy in order to ameliorate the state of the economy through improved environmental and social measures” (Smith & Perks, 2010). However, the lack of standards of greening in the sector makes it difficult to determine.

The South African approach to the green economy is focused on nine key areas which include: green buildings and the built environment, sustainable transport and infrastructure, clean energy and energy efficiency, resources conservation and management, sustainable waste management practices, agriculture, food production and forestry, water management, sustainable consumption and production and environmental sustainability (Modise, 2018). Initiatives that support green economy are already in implementation such that investors contributed funds towards initiatives, for example the Department of Environmental Affairs (DEA) committed an amount of R800 million, Development Bank of South Africa (DBSA) R10 billion and Industrial Development Corporation (IDC) R25 billion. The policies and regulations in South Africa prioritised and initiated the green economy. These policies include: 2009 framework response to the international economic crisis, medium-term strategic framework 2009–2014, government outcomes including Outcome 4, 5,

6, 7 and 10, new growth path, industrial policy action plan, ten-year innovation plan, national strategy for sustainable development action plan and green economy summit report (Department of Environmental Affairs, 2009).

South Africa is doing well in terms of green building. According to Modise (2018, p. 2) green building “accounts for almost half (41%) of building project activity, compared to the global average of 24%. 61% of building projects in South Africa were expected to be green by 2018, and this percentage was nearly achieved”. Another example of green economy in South Africa relates to the solar programme. The Solar Thermal Energy Research Group (STERG) at Stellenbosch University has been developing a uniquely South African CSP technology that is able to provide dispatchable, clean energy at utility-scale, with the added benefit of high localisation potential. It is the first South African designed heliostat system intended for small utility-scale CSP towers. In early 2014, the team won a grant from the Technology Innovation Agency (TIA) to showcase the technology in a 100 kW pilot facility. The project illustrates the positive outcomes resulting from partnerships between research institutions and governments that aim to commercialise and support local industry. It was selected as one of the winners of the “Worldwide Fund for Nature (WWF) Climate Solver Projects 2016” (Page, 2017, p. 41).

### 2.4.3 China

The United Nations Environmental Programme (UNEP) has been at work with China from the beginning of its green economy launch in 2008. According to UNEP (2018) in 2013, the UNEP and the Chinese Ministry of Environmental Protection jointly worked on the study, which led to a publication on *China's green long march*. The study “assessed China's progress towards a green economy and discovered that China had seen very strong green development in solar PV, wind, bioenergy, cement and environmental industries over the last decade”. Yi and Liu (2015) lament that Spatial Error Model (SEM) analyses indicate that the local clean energy policies, along with socio-economic factors such as population, per capita gross domestic product, educational attainment,

emissions of sulphur dioxide and marketisation of the regional economy, explain the variation in green economy across cities. Cities located in a province with clean energy policies have 54.3% more green jobs and 61.8% more green businesses, compared with cities located in a province without such policies.

Over the last few decades, China has seen a steep rise in diverse eco-city and low carbon city policies. However, some of China's major barriers include lack of knowledge and expertise, lack of market demand, lack of green building codes and regulations, lack of incentives and lack of databases and information (Romis & Coslovsky, 2019).

In terms of policies and plans, China is committed to achieving a green economy. The 11th Five-Year Plan (2006–2010) aimed to increase consumption of renewable energy sources. The 12th Five-Year Plan (2011–2015) is reducing pollutant emissions; improving drinking water sources and quality; controlling pollution caused by hazardous chemicals and dangerous wastes; improving urban environmental infrastructure operations; reversing ecological deterioration; improving nuclear safety and enhancing environmental regulatory institutions. “Environmental goals include reducing carbon emissions per unit of GDP by 17% and energy consumption per unit of GDP by 16%, as well as increasing forest coverage to 21.66%” (Organisation for Economic Co-operation and Development, 2009). China made several policies to support green economy, and their policies are centred on different sectors, for example green finance will have several policies supporting green economy.

China's environmental challenges relate to heavy industrialisation, which is dire. The polluted air, water and soil, which are part of their factories and power plants, bare a risk to China's society and economy. This leads to the government fighting pollution and introducing various initiatives. According to Song (2018) government introduced initiatives such as the less coal, cleaner air, which simply meant that China dismantles “coal-fired power plants, reduce overall emission levels and cut particulate-matter emission rates”. One of the challenges was the regulation and allocation of responsibilities. The transformation of the Ministry for Environmental Protection to the Ministry of Ecology and Environment (MEE) as a new entity with broader and clearer responsibilities abetted.

Resources are important in the green economy. Song (2018) laments that China's finances for greener future is paramount and an estimated 40.3 trillion was allocated "to finance the transition to a greener economy. It has started collecting environmental tax to help fund its environmental policies and also trying to attract more green investment." China also introduced "three sustainable development zones which will implement the United Nations 2030 sustainable development goals" (Song, 2018).

## 2.5 The Future of Green Business in Emerging Economies

As technology improves and new ideas manifest, the greening of business will be an all-encompassing responsibility. This means that greening on all levels of management, product and process. Efforts will be channelled towards high levels of corporate social responsibility, corporate environmental responsibility, the adoption of natural capitalism and the end goal of sustainability. This means that running the "green business should switch to environmentally sound inputs, reduce waste and pollution in the production process, and increase the biodegradability of the final product" (Cuia et al., 2019; Hasan et al., 2019; Kimengsi et al., 2019). It is encouraging that many businesses across the world are considering adopting green strategies in their corporations to avert environmental impact. This has benefited them mostly in two ways, internally they have increased their efforts towards social responsibility and competitiveness, and the external motivation on the other end includes satisfying their customers and responding to government stakeholder pressures. Smith and Perks (2010), however, warned that "while going green is commendable, cooperate owners should develop systems and structures to satisfy the requirements of green business practices while still achieving strategic business goals".

A prerequisite is an establishment of permitting circumstances to sponsor for the changeover to a green economy. Government role in emerging economies to develop "inclusive economic growth through



policies and initiatives that invest in sustainable infrastructure, better manage natural resources, build resilience to natural disasters, and enhance food security. The green economy should bring about livelihood sustenance, “driven by investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent biodiversity loss” (UNEP, 2011). Initiatives to support the poor and vulnerable should be developed through green business. “Activities such as for example harnessing of medicinal plants, weaving materials, bee farming and ecotourism” can go a long way to not only promote greenness but also to lift the poor out of poverty (Kimengsi et al., 2019). There should be an effective investment and “capacity-strengthening local groups to plan, negotiate and implement a wide range of green activities”. In other words, “green development should protect, enhance, and rehabilitate natural capital and value it has as a vital economic asset and source of public benefit, particularly for marginal communities who are more dependent on climate and the environment” (Christelis, 2013, p. 11).

The role of government also is to make sure that a transition to a green economy is accompanied by enabling conditions ranging from national regulations, policies, subsidies and incentives, and international market and legal infrastructure and trade and aid protocols (Christelis, 2013, p. 10). The fostering of public and private investments that reduce emissions and pollution, optimise energy and resource efficiency and use, and prevent biodiversity and ecosystem service losses should drive growth and also be enforced. Furthermore, Christelis, (2013, p. 11) suggested that “public expenditure and consumerism, policy reform, and changes to regulation should drive these investments”. The government in collaboration with businesses should also establish new metrics to evaluate how “green” is the economy and its businesses (Hasan et al., 2019; Kimengsi et al., 2019; Romis & Coslovsky, 2019). There should be clear structural reforms, re-orientation of procurement policies, emphasis on socio-environmental certification, re-orientation of the principles of macroeconomic policymaking and intensive government’s co-funding and incentives for training and technologies for the greening of the economy and business. Lastly, innovation should form a core basis for this transition. New technologies to curb gas emissions and reduce pollution should be constantly developed. There should be clear efforts to create an

important synergy between innovation and environmental policies in emerging economies.

## 2.6 Conclusion

The transition of the green economy propelled changes in many businesses and its modalities. Green economy in emerging countries is adequately being implemented, though in some countries face reluctance from businesses. Rapid industrial modernisation which leads to toxic pollution and many other issues should be addressed. The government of countries should put in place adequate regulation to ensure that there is a better control mechanism, and this can lead to having investors funding different initiatives. Budgeting and financing of initiatives of the green economy should be addressed. Stakeholders should constantly be updated on the status quo and the developments of certain projects. Fostering partnerships amongst emerging countries is pivotal in ensuring support and benchmarking towards its initiatives.

The existing strategies of implementing green economy in developing countries should be revisited as a result of change and countries should have clear programmes like China did; they reviewed their strategy on five years' period while visiting the strategy on ad hoc periods, ensuring the pathway is indeed on the right track.

## References

- Adams, W. M. (2001). *Green Development: Environment and Sustainability in the Third World* (2nd end). Routledge.
- Banuri, T., & Opschoor, H. (2007). *Climate Change and Sustainable Development*. United Nations Department of Economic and Social Affairs.
- Christelis, T. A. (2013). *An Analysis of the State of Green Business in the South African Retail Sector*. University of Cape Town.
- Chuen Chan, A. P., Darko, A., Olanipekun, A. O., & Ameyaw, E. E. (2018). Critical Barriers to Green Building Technologies Adoption in Developing Countries: The Case of Ghana. *Journal of Cleaner Production*, 172, 1067–1079.

- Cuia, L., Chanb, H. K., Zhoua, Y., Daib, J., & Limb, J. J. (2019). Exploring Critical Factors of Green Business Failure Based on Grey-Decision Making Trial and Evaluation Laboratory (DEMATEL). *Journal of Business Research*, 98, 450–461.
- de Jong, M., Yu, C., Joss, S., Wennersten, R., Yu, L., Zhang, X., & Ma, X. (2016). Eco-City Development in China: Addressing the Policy Implementation Challenge. *Journal of Cleaner Production*, 134, 31–41.
- Department of Environmental Affairs. (2009). Available Policies Supporting the Country Towards a Green Economy. Retrieved October 31, 2020, from <https://www.environment.gov.za/projectsprogrammes/greeneconomy/about#:~:text=The%20Green%20Economy%20refers%20to,towards%20cleaner%20industries%20and%20sectors>
- Dyer, H. (2018). Introducing Green Theory in International Relations. In S. McGlinchey, R. Walter, & C. Scheinpflug (Eds.), *International Relations Theory* (pp. 84–90). E-IR.
- Goodin, R. (1992). *A Green Theory of Value*. Basil Blackw.
- Hasan, M. M., Nekomahmud, M., Yajuan, L., & Patwary, M. A. (2019). Green Business Value Chain: A Systematic Review. *Sustainable Production and Consumption*, 20, 326–339.
- Kanchan, U., Kumar, N., & Gupta, A. (2015). Green Business-Way to Achieve a Globally Sustainable Competitive Advantage. *Journal of Progressive Research in Social Sciences*, 2(2), 92–100.
- Kelly, S., Lewis, H., Atherton, A., Downes, J., Wyndham, J., & Giurco, D. (2016). *Pack aging Sustainability in Consumer Companies in Emerging Markets: Final Report*. Institute for Sustainable Futures, UTS.
- Kimengsi, J. N., Pretzsch, J., Auch, E., & Azibo, B. R. (2019). WWF's Green Business Model in Protected Area Conservation and Livelihoods Sustenance in Cameroon: The Need for a Shift in Approach? *Environment and Natural Resources Research*, 9(1), 9–24.
- Lazăr, C. L. (2017). Perspectives on Green Marketing and Green Businesses for Sustainable Development. *Bulletin of the Transilvania University of Braşov Series V: Economic Sciences*, 10(59), 1–2017.
- Madzivhandila, T. S. (2014). Discourses of Climate Change and Sustainable Development in the Third World Countries: For Who's Benefit Is It? *Journal of Public Administration*, 49(1), 92–103.
- Madzivhandila, T. S. (2015). *The Effects of Climate Change on Household Food Production in Rural Makhado Local Municipality, Limpopo Province*. Unpublished PhD Thesis, University of Limpopo, Turfloop.

- Madzivhandila, T. S., & Niyimbanira, F. (2016). Politics of Climate Change: Why Should Africa Mitigate? *International Journal of Social Sciences and Humanity Studies*, 8(2), 92–105.
- Maserumule, M. H. (2004). e-Government, e-Governance and e-Democracy: A Conceptual Perspective. *Service Delivery Review*, 3(2). *A Learning Journal for Public Service Managers*, 2004, 76–78.
- Modise, D. (2018). *Green Building on the Rise in South Africa*. Retrieved July 30, 2020, from <https://www.bizcommunity.com/Article/196/720/171863.html>
- Molepo, J. N. (2019). *International Relations and Local Governance in South Africa: The Case of the City of Tshwane Metropolitan Municipality*. Unpublished Thesis, Tshwane University of Technology. Pretoria.
- Molepo, J. N., & Maleka, C. M. (2018). Community Participation and Budgetary Process in Local Government: The Case of Moses Kotane Local Municipality. *Journal of Public Administration*, 53(3), 759–771.
- Organisation for Economic Co-operation and Development. (2009). *Green Growth in Action: China*. Retrieved October 31, 2020, from <https://www.oecd.org/china/greengrowthinactionchina.htm#:~:text=China%20is%20committed%20to%20achieving,consumption%20of%20renewable%20energy%20sources.&text=Environmental%20goals%20include%20reducing%20carbon,increasing%20forest%20coverage%20to%2021.66%25>
- PAGE. (2017). *Green Economy Inventory for South Africa: An Overview*. South Africa.
- Plac, K. (2019). A Green Economy in Major Regional Cities of Poland—The Status of Its Implementation and Transformations in the Public Sector. *Research Papers of the Wrocław University of Economics*, 63, nr 2.
- Redclift, M. (2005). Sustainable Development (1987–2005): An Oxymoron Comes of Age. *Sustainable Development*, 13, 212–227.
- Romis, M., & Coslovsky, S. (2019). *Adoption and Diffusion of Green Innovation in Brazil: Eco-Packaging for Consumer Goods and Tracking of Cattle in the Amazon*. Inter-American Development Bank.
- Shah, K. U., Arjoon, S., & Rambocas, M. (2016). Aligning Corporate Social Responsibility with Green Economy Development Pathways in Developing Countries. *Sustainable Development*, 24, 237–253. <https://doi.org/10.1002/sd.1625>. Published online 30 March (2016) in Wiley Online Library [wileyonlinelibrary.com](http://wileyonlinelibrary.com)
- Smith, E. E., & Perks, S. (2010). A Perceptual Study of the Impact of Green Practice Implementation on the Business Functions. *Southern African Business Review*, 14(3), 1–29.

- Song, S. (2018). *Here's How China Is Going Green*. World Economic Forum. Retrieved July 30, 2020, from <https://www.weforum.org/agenda/2018/04/china-is-going-green-here-s-how/>
- Spatuzza, A. (2013). *5 Things You Didn't Know About Green Business in Brazil*. Retrieved July 7, 2020, from <https://www.greenbiz.com/article/5>
- Swart, R., Robinson, J., & Cohen, S. (2003). Climate Change and Sustainable Development: Expanding the Options. *Climate Policy*, 3, 19–40.
- UNEP. (2009). *Buildings and Climate Change: Summary for Decision-makers*. Retrieved June 26, 2020, from <http://www.unep.org/sbci/pdfs/SBCI-BCCSummary.pdf>
- UNEP. (2011). *Sustainable Buildings and Climate Initiatives*. Retrieved June 26, 2020, from <http://www.unep.org/sbci/pdfs/sbci>
- UNEP. (2018). *Partnership with China*. Retrieved July 30, 2020, from <http://www.unenvironment.org/explore-topics/green-economy/what-we-do/economic-and-fiscal-policy/partnership-china>
- United Nations Environment Programme. (2009). *Green Fiscal Policy Network*. Retrieved October 31, 2020, from [https://greenfiscalfpolicy.org/policy\\_briefs/brazil-country-profile-2/](https://greenfiscalfpolicy.org/policy_briefs/brazil-country-profile-2/)
- World Bank. (2017). *Urban Population Database*. World Bank.
- Yi, H., & Liu, Y. (2015). Green Economy in China: Regional Variations and Policy Drivers. *Global Environmental Change*, 31(1), p11–p19.
- Young, C. E. F. (2013). *Green Economy Policies in Brazil: Challenges and Opportunities*. Revista del CESLA.

# Part II

## Strategic Perspectives on Green Marketing



# 3

## Green Marketing: A Conceptual Overview

Nathaniel Newman

### 3.1 Introduction

In times past, organisational strategies were largely grounded on the presumption that natural resources were unlimited and that organisational activities had no adverse impact on the environment. Therefore, organisations were not really judged on the basis of their environmentally friendly decisions. It was largely about producing for the market without any regard for environmental sustainability. Organisations were operating with sheer brute force on the environment, extracting and harvesting all they can find to further their operational objectives. This basically was the order of the day during the early years of business and industrialisation. In the early years, the concepts were crude, such as the production concept and later became more social and environmentally friendly like social marketing and green marketing.

---

N. Newman (✉)

Department of Marketing and Entrepreneurship, University of Ghana Business School, Accra, Ghana

Marketing started with the production concept which later turned into the product concept, then to the sales concept, followed by the marketing concept, and that also became the social concept, and now discussions are rife about the green concept. Below is a brief look at the evolution of marketing.

**The Production Concept:** This is the earliest of all the concepts. It is based on the assumption that buyers fancy products that are cheaper and easily accessible. Organisations following this concept focus on cost reduction, production efficiency as well as mass distribution to reach all corners. This concept is prevalent in developing economies where buyers are price sensitive and are less interested in product features.

**The Product Concept:** Practitioners of this concept believe that buyers look out for product quality, efficiency and innovativeness. The goal is to produce superior products and keep improving them over time. It also holds that consumers can assess the quality and performance of products, thereby appreciating them better.

**The Selling Concept:** This concept simply explains that only an aggressive promotion and campaign will make consumers yield to purchases. Consumers will not go out of their way to make purchases without being coaxed, so an active selling effort must be engaged using all promotional tools to engender buying.

**The Marketing Concept:** The marketing concept has higher perspectives than the earlier three. It takes into account the target market, consumer needs, integrated marketing and profitability. It holds that there are other players in the marketing space and that consumers will settle for products of organisations that take into account effective delivery and communication of customer value.

**The Societal Marketing Concept:** As the name suggests, this concept holds that all marketing efforts must seek to enhance and preserve consumers and society. It is also described as the true marketing concept as it seeks to address the needs and interests of consumers effectively and efficiently.

**Green Marketing Concept:** Green marketing is commonly concerned with issues of environmentally friendly production, packaging and distribution of same. It is largely considered as the holistic view of the entire production process. This holistic view is dependent on the fact that



businesses manufacture products not only to meet consumer needs but also to preserve and protect the continued existence and wellbeing of its immediate and external environment (Tiwari et al., 2011).

With this cursory look at the various concepts that have shaped the growth of businesses over the years, it would suffice to delve into the concept of green marketing. However, more details of these concepts can be found in several marketing books.

### 3.1.1 Green Marketing Concept

As early as the 1970s, red flags began to be raised on environmental concerns such as the depletion of the ozone layer (global warming), degradation of the soil, ascendancy of air and water pollution, diminishing in the availability of fresh water and increased depletion of natural and physical resources such as oil (Okan & Yalman, 2015). These environmental red flags compelled organisations to effect sweeping changes in the areas of business operations and strategies, including marketing strategies (Kotler, 2011). One of the marketing strategies postulated was the concept of green marketing. Around that same period, the American Marketing Association (AMA) organised a workshop on Ecological Marketing in 1975 and defined it as “the study of positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion” (Henion & Kinnear, 1976).

From there, green marketing started gaining some attention, but it was not until the late 1980s that the idea of green marketing fully emerged. In the most part of the 1980s, while the concept was still in its embryonic state, it was bedevilled with several challenges which mostly also affected marketing itself. These challenges included sales orientation and diverse categorisation of the concept, which also affected the development of green marketing. These problems led to five different failed attempts for a method for green marketing. These failed methods include:

**Green Spinning:** Green spinning is a reactive approach using PR function involving reputation management, risk management compartmentalisation of green marketing within PR function. There is no change in product, production and policy decision, but publicity plays a superior

part in firm's communication strategy to dispel and appease public apprehensions. This failed as organisation look inward for solution when many answers are found externally.

**Green Selling:** This involves exploiting the green concerns by relying on promotional strategies taking with little or no input to product development. This led to mistrust by consumers and eventually failed.

**Green Harvesting:** Firms realised going green is cost saving for them in many ways but charged premium price to customers for green products. However, with the realisation of a shift towards sustainability investment by businesses, going green suddenly became a less attractive option.

**Enviropreneurial Marketing:** This is the marketing effort which focuses on environmentally friendly activities for competitive advantage. The firm fulfils its obligation to society and the environment (Jaini & Hussin, 2019). It is associated with boutique firm's initiatives without product-specific market research; this failed, as more focus was on production rather than products that consumers actually wanted.

**Compliance Marketing:** This involves a firm producing green products to meet government regulations. As there is no further advancement towards sustainability beyond meeting the regulations, it could not make differentiation and attract green consumers, so the firms had never moved to genuine green marketers from compliance marketers.

After these failed models, the focus on green marketing shifted towards an environmental-based competitive advantage. This then led to the new marketing idea of redefining products, readiness to change market, a focus on benefits than product usage, marketing communication that focuses on informing rather than impressing, focus beyond current consumer need, willingness to manage demand and expectation and taking more responsibility (Senthilnathan et al., 2015). This opened up the discussions on green marketing labelling it as the "holistic management process responsible for identifying, anticipating and satisfying the needs of customers and society, profitably and sustainably" (Do Paco et al., 2009).

To put it succinctly, green marketing has gained popularity largely due to the levels of awareness and consciousness of consumers and tougher regulations by governments and agencies that ensure standards. Green marketing rests on the knowledge that a relationship exists between the natural environment and the organisation. Organisations rely on these

natural resources from the environment to further their objectives as already mentioned, and must at all times ensure the continuous availability and judicious use of these resources. This relationship between the environment and businesses is described in many circles differently, and it includes names like environmental marketing (Coddington, 1993), ecological marketing (Fisk, 1974; Henion & Kinnear, 1976), green marketing (Elkington, 1994; Mishra & Sharma, 2010; Ottman, 1992; Peattie, 1992; Pride & Ferrell, 1993), sustainable marketing (Fuller, 1999) and greener marketing (Charter & Polonsky, 1999). All these terms invariably mean the same thing and describe the role of businesses in ensuring that the resources from the environment are preserved or managed properly, and failure to do so will come with consequences such as fines and revocation of operational licence in some instances where there are clear signs of gross disregard for laid down rules.

**Example of fine**—*BP PLC, the company responsible for the 2010 Deepwater Horizon oil spill, paid a record \$20.8 billion to the US government to cover damages caused by the disaster.*

**Example of revocation of licence**—*Chile's environmental watchdog brought charges against Sierra Gorda SCM, a firm jointly owned by Poland's KGHM Polska Miedz and Japan's Sumitomo Metal Mining, on the grounds that it was found guilty of committing nine environmental infractions.*

Green marketing is associated with all activities linked to product alteration and variations to the production process. It also includes changes to packaging materials as well as revising advertisement, among others. These are designed to create and enable any exchanges that are intended to meet the needs or wants of customers and society as a whole. Similarly, it paves the way for the growth of the organisation which leads to profit generation but in a manner that comes with minimal harmful impact on the natural environment (Henion & Kinnear, 1976; Ottman et al., 2006; Peattie, 2001; Welling & Chavan, 2010). Additionally (Kilbourne, 1998; Prakash, 2002; Pride & Ferrell, 1993), all concede that green marketing involves a broad range of activities which include recycling, construction and even renovation of building to give it a more environmentally friendly outlook.

According to Cronin et al. (2011) in the era of greening, several organisational outfits are attempting to meet these green goals and that there

are a number of green strategies that the firm can fall on to address the needs of the various stakeholder groups. It must be noted that the interests of stakeholders are of intrinsic value. Meaning, every identified stakeholder group has its own worth or what they accept as inuring to their benefit, which the firm must seek to address. These stakeholder groups provide legitimacy for the firm if they perceive the organisation to be engaged in activities that are in line with fostering good environmental citizenship. Stakeholders can either be primary or secondary and may include government, investors, political groups, suppliers, customers, trade associations, employees as well as host communities.

The concept of green marketing is still fuzzy, although organisations can pursue various strategies to meet their green marketing requirement. Within the marketing literature, green strategies include:

- *Green innovation*
- *Greening the process*
- *Green alliances*

**Green innovation:** This is the development of new or innovative green products. It is believed that the development of new products or services sends a positive signal to each stakeholder that the organisation is a green company.

**Greening the process:** This has to do with the focus on environmental aspects within the firm itself. In this case, the initiatives are more focused on greening the processes associated with the production of a good or the delivery of a service.

**Green alliances:** This is where a firm makes use of alliances or partnerships to stress its green initiatives and activities.

Aside from going green through innovation and following green processes, a firm can also choose to utilise an alliance or partnership to enhance the green orientation (green alliances). Studies by Ottman (2011) and Grant (2007) explain that the green marketing concept does not only emphasise product improvement but also improve the lifestyle of the customers by changing their behaviour which eventually enriches the marketability and the overall performance of the firm.

Green marketing process model similar to marketing process attempts to match the controllable internal variables of the marketing mix with the demands of the environment in which the company operates but internal variables and external demands that are considered are different. For marketers, the marketing mix remains the single most important driver of the entire marketing process. The *marketing mix* refers to the set of activities, or strategies, that an organisation uses to promote its brand or product in the market. The marketing mix, generally referred to as the 4Ps includes Product, Price, Place and Promotion. However, over the years, the marketing mix has been expanded to address service offerings to include people, process and physical evidence. Currently, issues packaging, positioning and even politics have all been included in the marketing mix to address the specific market situation. Recent publications on marketing address these mixes in detail and explain why they have been included.

### 3.1.2 Marketing Mix

**Product:** It is a good or service that a firm offers for sale to customers. Products generally must fulfil an existing customer need. Products may also be so fascinating that consumers may believe that they must have it, and that creates new demand for the product. Example: Apple or Samsung products with new features almost every year.

**Price:** It is the value at which the product is offered for sale. What goes into the pricing of products include production cost, market segmentation, ability of the market to pay, supply and demand factors as well as a number of other direct and indirect factors.

**Place:** This has to do with where the product is sold and how it is delivered to the market. Place is also referred to as distribution. Place strategy is all about how visible a product can be seen or identified in a store or where the shop is located. Most retailers pay a fortune for the right location. In marketing, the catchphrase for a successful retail business is “location, location, location”.

**Promotion:** This includes all the activities carried out to create the needed awareness about the product or service to users and retailers.

Promotion may include advertising, word of mouth, press reports, incentives, commissions and awards to retailers. It can also include consumer schemes, direct marketing, contests and prizes.

What sets green marketing apart from traditional marketing is that traditional marketing (Peattie, 1992) inclines to the “magic triangle”. That is the interrelationship between the company, its customers and its competitors. External factors from the wider business environment are only considered in relation to the direct effect they have on these 3Cs. On the other hand, green marketing shifts the focus more widely to consider the impact of all aspects of the company on customers, society and environment. Externally the focus on customers and competitors is balanced by a consideration of society and the natural environment.

The marketing mix for green marketing is made up of internal green Ps and external green Ps, which culminates into green marketing. This then results in measurable outcomes known as the green success (S) (Fig. 3.1 below).

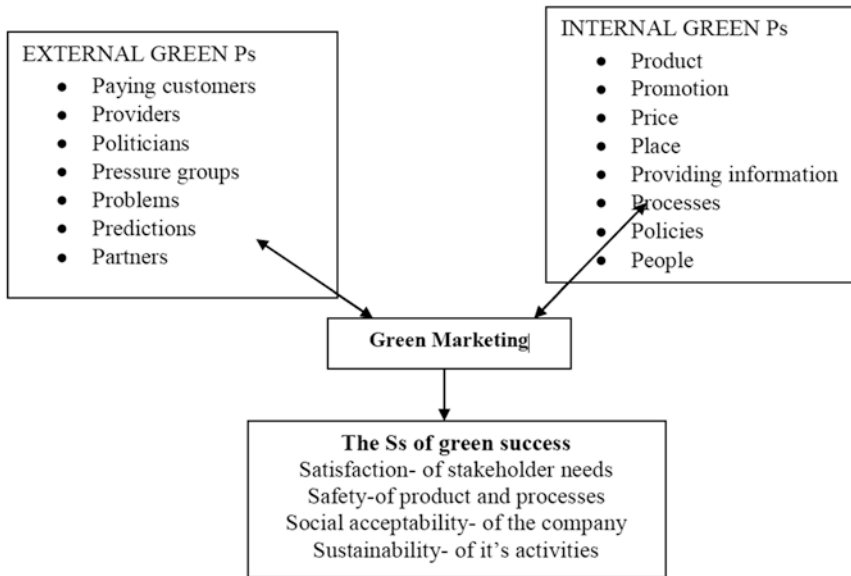


Fig. 3.1 The green marketing process. (Source: Senthilnathan et al. (2015: 9))

### 3.1.3 External Green Ps

**Paying customers:** Some firms resort to paying customers for returning empty plastic bottles. This not only reduces the number of plastic bottles thrown around but also serves as an opportunity to make some money or get products at reduced prices.

**Providers: These are the suppliers of organisations or providers of some third-party services.** Firms work hand in hand with these providers or suppliers to ensure that they meet all environmental and social requirements and standards to qualify as a green-oriented firm. Suppliers of organisations are also monitored by firms to ensure that their operations are also in line with environmental standards.

**Politicians:** Policymakers are part of the external green Ps because they make the laws that guide business operations. Politicians come under severe pressure to ensure they promulgate laws that will force businesses to consider environmental issues in their operations and failure to do so will come with sanctions.

**Pressure groups:** Stakeholder grouping exerts pressure on firms to ensure that they meet regulations that have to do with their wellbeing. Pressure groups sometimes form lobbyist groups to demand accountability from politicians as well as businesses. Pressure groups may sometimes take legal action against a firm or even take a class action to boycott the products or services.

**Problems:** What problem is the firm seeking to solve, it could be the reduction of air or water pollution or any other problem that is of environmental interest. There are several problems that may arise during the operations of a business, obtaining raw material, operations of machine and equipment may all pose some environmental challenge, and it is up to the firm to identify this challenge and be seen as working to eradicate the problem.

**Predictions:** Green marketing set standards and firms try to predict outcomes of green activities. Predictions are made on the effects that

some environmental challenges pose to people. Some observers may predict that the operations of a mine in a particular area may destroy all farmland within five years. These predictions help to monitor business operations and to address any issues before they get out of hands.

**Partners:** Firms may partner with other firms to leverage their offerings in achieving their green objectives. Partners are always important in such situations since no individual firm can do it on their own. Stores may partner manufacturers to stock green products in a section of the store to make them accessible for customers to see and patronise.

### 3.1.4 Internal Green Ps

**Product:** With innovation, firms can manufacture green products that meet environmental and customer needs. Green products are made available for sale by firms. Organisations go the distance to research and develop products that meet the green needs of society. Green products seek to reduce wastage and littering of the environment.

**Promotion:** Just like in conventional marketing, promotion has to do with creating awareness about the existence of a product or service. Green promotion requires that the firm uses environmentally friendly promotional campaigns to send the right message to customers and potential customer.

**Price:** Some firms tie green incentives to the price of products to entice customers and make them act right. Some organisations will give cash-back for returning empty bottles. Among affluent market segments, products are pegged at premium prices to tell the customer that there is a green component in the price make-up.

**Place:** The distribution mechanism must bear the semblance of a green initiative. As much as possible, a firm that is portraying itself as green must ensure that its mode of distribution does not end up polluting the air or water body. Distribution processes have the potential to cause pollution through its mode of transportation, and the firm must address it.

**Providing information:** Products have information on their packages, and also product information is provided in adverts and other



promotional campaigns. Providing information to customers and other regulatory bodies is key. Organisations must do well to provide all the green qualities of their products and operations to all stakeholder groups to ensure they avoid sanctions. This information will also inform customers about the green activities that the firm is carrying out. ISO certification may also be provided to elevate the image of the firm.

**Processes:** Firm operations must conform to green processes. Sourcing raw material, production as well as distribution processes must all meet green standards. The processes involved in manufacturing a product or delivering a service must meet environmental and social standards. Greening the process is an intentional process that the firm must adhere to.

**Policies:** When it comes to green marketing, there are several policies that the firm can implement and also follow. Because of pressure groups, green policies abound, and it has some benefits for the firm as well so firms must do well to look at these policies and implement some of them to take full advantage of these benefits associated with these green policies.

**People:** In the extended marketing mix, people refer to employees and individuals who deliver service. People within the organisational set-up that are going green must be trained and given the relevant green information so that they can make such information available to customers. People matter in the operations of any business and the green initiative that the firm is embarking on must first be understood by the employees before they can communicate the same to potential customers.

All these elements make up the green marketing process, and any firm seeking to go green must apply these processes in its activities and operations. Green marketing has similar traits as conventional marketing, although variations exist in its delivery and application to businesses. And just like traditional marketing, there are outcomes and goals that show that a firm is indeed green. These targets are known as green successes, and they include the following:

### 3.1.5 The Ss of Green Success

**Satisfaction of stakeholder needs:** Organisations operate within an environment, and there are stakeholders whose need must be met. These stakeholders include investors who seek return on their investment. These stakeholders may not be too keen on green initiatives but rather on the profitability of the firm. However, there are other stakeholders whose primary need is for the firm to meet set green standards. Consumers who are green-oriented, pressure groups and governmental agencies all have green demands of the firm which must be met. Satisfaction of stakeholder needs is important to the very survival and continues the existence of the firm. The firm must identify all stakeholders and try to meet their green needs.

**Safety of product and processes:** In going green, one of the outcomes is to ensure that products are safe for human consumption as well as production processes are healthy for the environment. Safe products ensure that consumers get value for money and that green products are actually what they say they are. Likewise, the production process, as well as distribution processes, must all conform to green standards. One cannot be green and the other, not green. These two elements go hand in hand and must at all times be well managed to ensure the fulfilment of the green initiative.

**Social acceptability of the company:** The legitimacy of the firm to continue in business in an era of green is dependent on the social acceptability of the organisation by its internal and external stakeholders. Social acceptability can only be achieved by firms when they adhere to laid down rules and regulations governing green initiatives. Organisations who fail to meet these green goals suffer as society will not accept the company and its operations. This can lead to boycotts and legal actions against the firm. It will make the firm unpopular, and this could bring the operations of the organisation to a grinding halt.

**Sustainability of its activities:** Going green is not a one-off event but continuous process of linked activities that ensure that the firm is in good stead all the time. This is to ensure that in the long run, the measures put in place can continue to exist. Sustainability of its activities also means

that whatever processes that are being carried out are by themselves sustainable. These are what customers as well as regulatory agencies will look at to acknowledge that a firm is truly green.

## 3.2 Green Tactics and Strategies

The implementation of green marketing by an organisation requires the firm to apply certain tactics and strategies to achieve desired results. Greening efforts must be implemented across all the various aspects of the organisation's operations. Green marketing efforts must also be carried out across the entire marketing process. There are several green marketing tactics and strategies that a firm can advance to achieve its green marketing objectives. However, the firm is not obliged to carry out all the green marketing tactics and strategies as that will be a drain on the firm's finances and may overshadow other operational activities of the firm. The firm must appraise all the strategies and identify the tactics that will support its green and environmental agenda.

The table below (Table 3.1) illustrates green marketing activities at three levels, that is tactical, quasi-strategic and strategic green marketing. The table also shows the functional areas that these strategies may be carried out. Tactical green marketing actions are largely concerned with limited change and limited coordination across the multiple functional areas. The quasi-strategic actions usually require more substantive changes in marketing activities, as well as broad-based coordination among several non-marketing activities. For strategic greening, it requires the firm to approach green marketing holistically. It involves the application of coordinated activities of the firm to integrate environmental issues across all functional areas of the firm. This holistic approach to strategic greening cannot be overemphasised bearing in mind the number of challenges linked with non-integrated green marketing.

Beyond the implementation of green marketing strategies and tactics, the consumer needs to be convinced about environmentally friendly claims made by manufactures or products that have been put out. Any doubt in the consumer's mind is likely to lead to a negative effect on the brand. These doubts may be as a result of scepticism on the part of

Table 3.1 Green marketing activities at the three levels

	Tactical greening	Quasi-strategic greening	Strategic greening
Targeting	Ads mentioning green features are run in green-focused media	A firm develops a green brand in addition to its other brands	A firm launches a new Strategic Business Unit (SBU) aimed at the green market
Green design	A firm switches from one raw material supplier to another with more eco-friendly processes	Life-cycle analysis is incorporated into the eco design process to minimize eco harm	E.g., <b>FUJI XEROX</b> develops its Green Wrap paper to be more eco-friendly from the ground up
Green pricing	Cost savings due to existing energy-efficiency features are highlighted for a product	E.g. a water company shifts its pricing policy from a flat monthly rate to a per-unit-of-water used basis	A company rents its products rather than selling; consumers now pay only for use of the products
Green logistics	A firm changes to a more concentrated detergent, which reduces package size and weight and lowers shipping cost	Packaging minimisation is incorporated as part of a firm's manufacturing review process	A reverse logistics system is put into place by <b>FUJI XEROX</b> to reprocess and remanufacture photocopiers
Marketing waste	A firm improves the efficiency of its manufacturing process, which lowers its waste output	E.g., <b>TELSTRA</b> (a phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies	E.g., A <b>Queensland</b> sugar-cane facility is rebuilt to be cogeneration-based, using sugarcane waste to power the operation

(continued)

Table 3.1 (continued)

	Tactical greening	Quasi-strategic greening	Strategic greening
Green promotion	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage	A company sets a policy that realistic product eco-benefits should always be mentioned in promotional materials	As part of its philosophy, the <b>BODY SHOP</b> co-promotes one or more social/eco campaigns each year with in-shop and promotional materials
Green alliance	A company funds a competition (one-off basis) run by an environmental group to heighten community awareness on storm water quality issues	E.g., <b>SOUTHCORP</b> (a wine producer) forms a long-term alliance with the Australian Conservation Foundation to help combat land-salinity issues	A company invites a representative of an environmental group to join its board of directors

Source: Grundey & Zaharia (2008:134)

consumers or total unbelief for claims made in paid adverts. Some manufactures also tend to exaggerate on the benefits of their products, making it even harder for consumers to come to a positive conclusion about the environmental attributes of a firm and its products or services. Additionally, when firms use scientific and technical terminologies as a unique selling proposition for products, the language becomes too technical and complex to comprehend. To be able to objectively come to the conclusion that any information put out concerning a product is genuine, firms rely on a system known as eco labelling. This involves independent institutions which guarantee messages on the environmental benefits of brands. This is done through environmental labelling systems, which are sponsored by independent organisations. This process helps to reduce perception of prejudices in environmental claims by encouraging standardised information which establishes confidence in the assessment of environmental benefits of products. When done properly, eco labelling

has the tendency to positively impact on purchase and repurchase intentions of consumers.

Rubik et al. (2008) explain that attempts have been made to classify existing labels based on mandatory/voluntary application status, and general characteristics of labels such as format, multi-stakeholder approach (see Rubik & Frankl, 2005, p. 31). Additionally, a mostly applied categorisation is expounded by the International Organization of Standardization (ISO) to structure environmental labelling. The ISO has developed a categorisation of voluntary labels into three types, namely ISO Types I, II and III.

- **Type I:** refers to criteria-based certification programmes and defines an ISO Type I labels: “Voluntary, multiple criteria-based third party programme that awards a licence authorising the use of environmental labels on products. These indicate the overall environmental preferability of a product within a particular product category based on life cycle considerations. These labels provide qualitative environmental information” (ISO, 1999, p. 1). They are covered by ISO 14024 published in April 1999.
- **Type II:** describes environmental claims: “Self-declared environmental claim made by manufacturers, importers, distributors, retailers, or anyone else likely to benefit from such a claim without independent third-party certification” (ISO, 2000, p. 3). They are covered by ISO 14021 published in 1999.
- **Type III:** applies to quantified product information that is based upon independent verification using present indices: “providing quantified environmental data using predetermined parameters and, where relevant, additional environmental information” (ISO, 2007, p. 9). They are covered by the international standard 14,025 published in 2007 (Rubik & Frankl, 2005; Rubik et al., 2008; Horne, 2009) (Fig. 3.2).

### 3.2.1 Design for the Environment

According to Grundey and Zaharia (2008) the phrase *Design for the Environment* (DFE) has gained mention as a philosophy of the

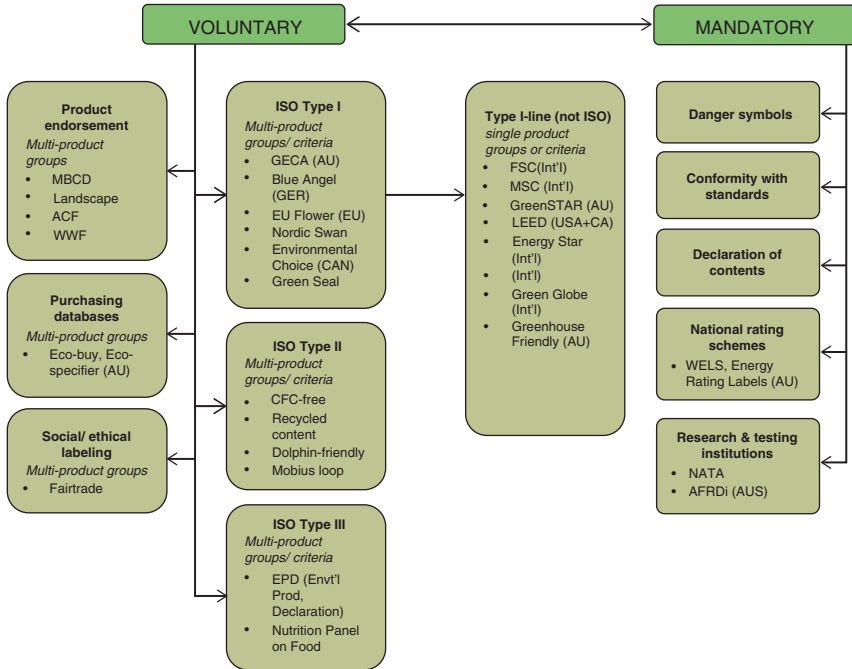


Fig. 3.2 Classification of product environmental labels by type. (Source: Horne (2009:177))

integration of environmental concerns into the entire production process, which includes the process of product design as well as packaging Coddington, 1993. The (DFE) has two main doctrines:

**One**—Firms engaged in DFE must adopt environmental concerns and controls into the very fabric of their operations that it becomes second nature or character of the firm.

**Two**—Firm must appraise environmental issues holistically, in relation to issues of socio, economic, political, regulatory and manufacturing influences (Rubik, 2003a, 2003b).

Other environmental issues embedded in DFE in relation to products and packaging designs are fabricating for disposal, fabricating for non-disposal (recycling), developing products and packages that do not

pollute the environment and developing products that conserve resources. DFE asserts that ideas that are developed should integrate reduction of wastage into the process of production, as well as products recycling and/or packaging, which would ensure that products are biodegradable, or that would help effect changes in the entire process of design while adding more benefits than costs to the organisation (Andersen & Liefferink, 1997).

### 3.2.2 Greening of Product Life-Cycle Stages

#### **Stage 1**—Development stage

This stage is generally associated with the purchasing of raw materials, parts of equipment and partly assembled machinery. On the other hand, manufacturers may audit their suppliers' environmental agenda, request for less packaging of raw material or choose raw materials than can be recycled or easily replaced.

#### **Stage 2**—Production stage

Industries are encouraged to decrease gas emissions into the atmosphere, avoid toxins and reduce wastage but rather save water and energy. Firms are also urged to find and harness different uses for waste products (i.e. waste recovery process), adopt current and environmentally friendly manufacturing processes to reduce waste generation, decrease energy use and/or attempt to find other sources of energy.

#### **Stage 3**—Consumption/Usage stage

The assumption here is to use less packaging, conserve energy and reduce wastage from product maintenance and service which are highly recommended. Furthermore, businesses ought to encourage energy conservation and must provide information about the recycling or reuse capabilities of their package or “dead” product.

#### **Stage 4**

The last phase of a product is disposal or throwing away, green marketing proposes the idea of reuse and recycling, as part of the efforts of reducing wastage. Further reading on the concept of green marketing will broaden your horizon to appreciate better the use of green marketing tactics and strategies to protect the environment much better. Although



these green initiatives may come with paying extra for the same product or service, the understanding and appreciation of the green concept will make it worthwhile.

### 3.2.3 Recommendation for Emerging Markets

Discussions of a conceptual overview of green marketing are imperative in the world today and more relevant to emerging markets. Any discussion of a green nature is very welcoming at a time when the world is dealing with several environmental pollutants. For emerging markets where there are many weak institutions, people's actions are driven by a sheer desire for survival and the wellbeing of the environment could easily be the last consideration in any economic activity or engagement. However, through globalisation and international trade, most firms in emerging markets are forced to be conscious of environmental concerns in their production activity, especially if the firm hopes to attract the international market.

To fully participate in green marketing activities, organisational leaders must develop a green culture. A holistic production process is right from sourcing of raw materials to delivering the product to the final consumer. The implementation of a green marketing programme will include monitoring activities of suppliers to ensure that the green marketing initiative is not just one-sided but all-inclusive and encompassing all the production process of the firm.

Firms that have packaged product may begin to look at using more environmentally friendly materials. Such firms can also promote reusable packages or reward schemes for customers who return empty bottles or other containers. Firms that seek to go international should apply for ISO certification and consider green labelling as this will give it a competitive edge as a green-oriented organisation.

Firms should also consider implementing a green marketing mix. The various stakeholders in the external green Ps must be managed well to ensure a smooth transition into the green marketing space. For implementation purposes, the green marketing activities at the three levels can be carried out strategically and in phases to ensure that the transition

does not affect the operations of the organisation. The benefits for choosing to go green far outweigh the decision not to and firms must be encouraged to venture into green marketing.

### 3.2.4 Conclusion

The conceptualisation of green marketing sets the tone for a better understanding of green marketing strategies. From our understanding of the evolution of marketing through the various stages to what is now known as green marketing, the concept has gained mention in recent literature as well as in industry engagements. Green marketing encapsulates the tenets of sound environmental practices in all aspects of the production process till the product gets to the final consumer. Issues of packaging and innovation in the production process are all concerns of the green marketing concept. The green marketing activities at the three levels—tactical, quasi-strategic and strategic green marketing—paint a vivid picture of the strategies and tactics to employ to achieve green marketing efforts. Further reading on the concept of green marketing will broaden the horizon to better appreciate the use of green marketing tactics and strategies to protect the environment much better. Although these green initiatives may come with paying extra for the same product or service, the understanding and appreciation of the green concept will make it worthwhile.

## References

- Andersen, M. S., & Liefferink, D. (1997). *European Environmental Policy: The Pioneers*. Manchester and New York.
- Charter, M., & Polonsky, M. J. (1999). *Greener Marketing: A Global Perspective. Greening Marketing Practice* (2nd ed.). Sheffield.
- Coddington, W. (1993). *Environmental Marketing: Positive Strategies for Reaching the Green Consumer*. McGraw-Hill Companies.
- Cronin, J. J., Smith, J. S., Gleim, M. R., Ramirez, E., & Martinez, J. D. (2011). Green Marketing Strategies: An Examination of Stakeholders and the

- Opportunities They Present. *Journal of the Academy of Marketing Science*, 39(1), 158–174.
- Do Paco, A. M. F., Raposo, M. L. B., & Leal Filho, W. (2009). Identifying the Green Consumer: A Segmentation Study. *Journal of Targeting, Measurement and Analysis for Marketing*, 17(1), 17–25.
- Elkington, J. (1994). Towards the Sustainable Corporation: Win-Win-Win Business Strategies for Sustainable Development. *California Management Review*, 36(2), 90–100.
- Fisk, G. (1974). *Marketing and the Ecological Crisis*. Harper and Row.
- Fuller, D. A. (1999). *Sustainable Marketing: Managerial-Ecological Issues*. Sage Publications.
- Grant, J. (2007). *The Green Marketing Manifesto*. John Wiley & Sons.
- Grundey, D., & Zaharia, R. M. (2008). Sustainable Incentives in Marketing and Strategic Greening: The Cases of Lithuania and Romania. *Technological and Economic Development of Economy*, 14(2), 130–143.
- Henion, K. E., & Kinnear, T. C. (1976). *A Guide to Ecological Marketing. Ecological Marketing*. American Marketing Association.
- Horne, R. E. (2009). Limits to Labels: The Role of Eco-Labels in the Assessment of Product Sustainability and Routes to Sustainable Consumption. *International Journal of Consumer Studies*, 33(2), 175–182.
- ISO. (1999). *Environmental Labels and Declarations—Self-Declared Environmental Claims (Type II Environmental Labelling) (ISO 14021: 1999)*. Own Publication.
- ISO. (2000). *Environmental Labels and Declarations—Type I Environmental Labelling—Principles and Procedures (ISO 14024: 1999)*. Own Publication.
- ISO. (2007). *Environmental Labels and Declarations—Type III Environmental Declarations—Principles and Procedures (ISO 14025: 2007)*. Own Publication.
- Jaini, A., & Hussin, N. (2019). Towards Developing a Framework of Enviropreneurial Marketing Strategy for SMEs in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 9(9), 348–358.
- Kilbourne, W. E. (1998). Green Marketing: A Theoretical Perspective. *Journal of Marketing Management*, 14(6), 641–655.
- Kotler, P. (2011). Reinventing Marketing to Manage the Environmental Imperative. *Journal of Marketing*, 75(4), 132–135.
- Mishra, P., & Sharma, P. (2010). Green Marketing in India: Emerging Opportunities and Challenges. *Journal of Engineering, Science and Management Education*, 3(1), 9–14.

- Okan, E. Y., & Yalman, N. (2015). Anatomy of Green Marketing. In *Marketing and Consumer Behavior: Concepts, Methodologies, Tools, and Applications* (pp. 1033–1051). IGI Global.
- Ottman, J. (2011). *The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding*. Berrett-Koehler Publishers.
- Ottman, J. A. (1992). Industry's Response to Green Consumerism. *Journal of Business Strategy*, 13(4), 3–7.
- Ottman, J. A., Stafford, E. R., & Hartman, C. L. (2006). Avoiding Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products. *Environment: Science and Policy for Sustainable Development*, 48(5), 22–36.
- Peattie, K. (1992). *Green Marketing*. Longman.
- Peattie, K. (2001). Golden Goose or Wild Goose? The Hunt for the Green Consumer. *Business Strategy and the Environment*, 10(4), 187–199.
- Prakash, A. (2002). Green Marketing, Public Policy and Managerial Strategies. *Business Strategy and the Environment*, 11(5), 285–297.
- Pride, W. M., & Ferrell, O. C. (1993). *Marketing: Concepts and Strategies*. Houghton Mifflin Company.
- Rubik, F. (2003a). *Integrated Product Policy (IPP) and Innovation: Towards Sustainable Product Design*. Stockholm.
- Rubik, F. (2003b). *Integrated Product Policy: Practices in Europe*. IOW Summer Academy “From Government to Governance”: The Case of Integrated Product Policy, Wuerzburg.
- Rubik, F., & Frankl, P. (Eds.). (2005). *The Future of Eco-Labeling: Making Environmental Product Information Systems Effective*. Greenleaf Publishing.
- Rubik, F., Scheer, D., & Iraldo, F. (2008). Eco-Labeling and Product Development: Potentials and Experiences. *International Journal of Product Development*, 6(3–4), 393–419.
- Senthilnathan, C., Premalatha, S., Venugopalan, M. G., & Monica, M. M. (2015). A Study on Green Marketing Concept-Emergence To Contemporary Transition For Moderating Climate Change and Environmental Pollution. *International Journal of Applied Environmental Sciences*, 10(2), 559–566.
- Tiwari, S., Tripathi, D. M., Srivastava, U., & Yadav, P. K. (2011). Green Marketing-Emerging Dimensions. *Journal of Business Excellence*, 2(1), 18–23.
- Welling, M. N., & Chavan, A. S. (2010). Analysing the Feasibility of Green Marketing in Small & Medium Scale Manufacturers. *Asia Pacific Journal of Research in Business Management*, 1(2), 119–133.



# 4

## Green Consumer Behaviour

Andrews Agya Yalley and Kojo Kakra Twum

### 4.1 Introduction

The increasing awareness and sensitivity of twenty-first-century consumers on environmental issues has witnessed a shift in the consumerism culture from one described as self-centred, self-gratifying, mass consumption, and materialistic and founded on the premise that consumers' wellbeing and happiness is dependent on the overconsumption of goods and services towards an altruistic, responsible, pro-environmentalist,

---

A. A. Yalley (✉)

Department of Marketing and Supply Chain Management, University of Cape Coast, Cape Coast, Ghana

e-mail: [andrews.yalley@ucc.edu.gh](mailto:andrews.yalley@ucc.edu.gh)

K. K. Twum

Presbyterian University College, Abetifi, Ghana

School of Business, University of Cape Coast, Cape Coast, Ghana

e-mail: [twumkojo@presbyuniversity.edu.gh](mailto:twumkojo@presbyuniversity.edu.gh)

sustainable, and green buying and consumption culture. For instance, in Nigeria and Malaysia, about 54% and 40% of consumers respectively have purchased green products before (Ogiemwonyi et al., 2020). This, thus, reemphasise the importance of green consumers in emerging economies and further calls for strategies in shifting consumer attitudes and behaviour towards the purchase, consumption, and disposal of eco-friendly goods and services (Sarigollu, 2009; Khan, 2013), thus, a shift from generic or traditional consumer behaviour towards green consumer behaviour (Kaufmann et al., 2012; White et al., 2019a).

Understanding consumer green behaviour is important as it is the bedrock of green marketing as well as the basis upon which firms decide on the green marketing strategies and tactics to pursue. By understanding green consumer behaviour, firms would be able to decide which product to produce and how to produce it; the pricing, promotion, and distribution strategies as well as the people, and physical evidence strategy and tactics. Using a hybrid qualitative research approach through narrative and realistic literature review methodology, this chapter seeks to demonstrate the influence of consumer green behaviour theories on organisational attitude and approach towards the environment and its customers particularly in shaping organisations' strategies towards eco-friendly and sustainable production processes and products.

## 4.2 Towards a Green Consumerism Culture

Culture as a dynamic and complex element has transformed society immensely, and within the field of marketing, it has witnessed a shift in consumerism culture from one described as self-centred, self-gratifying, mass consumption, and materialistic towards an altruistic, responsible, pro-environmentalist, sustainable, and green buying and consumption culture. Different schools of thought have defined and conceptualised consumerism differently. On the one hand, some scholars have related it to the eco-centric, wasteful, hedonic, and materialistic acquisition, consumption, and disposal of products (e.g. Swagler, 1994; Miller, 2007). This school is grounded on the "production orientation" of the marketing philosophy which emphasises on mass production and consumption.

This is also linked to Marxist philosophy on materialism and the capitalist economy as a system of exploitation, whereby consumption is a necessity for production.

On the other hand, another school of thought argues that consumerism is about the protection of the right, interest, and welfare of consumers in making an informed and rational decision in the marketplace. It is also about the promotion of consumer interest through policy and programmes of protection (Perera & Gunawardanab, 2014); thus, the emergence of regulatory bodies includes food and drug boards, consumer bureaus, green political parties, and green groups and initiatives as well as the rise of the consumer movement. This school is grounded on the “marketing orientation” and “societal orientation” of the marketing philosophy, which champions the interest of consumers and the environment respectively in a firm’s decision-making.

These two schools of thought demonstrate the different stands on consumerism as well as the evolution of consumerism culture. Consumerism culture has undergone different evolutionary stages in the quest for the survival of *Homo sapiens* as postulated by Darwin’s principle for human evolution and is attributed to the dynamic nature of human desire, acquisition, and consumption. These stages include pre-consumerism, consumerism, and post-consumerism stages.

#### 4.2.1 Pre-consumerism Stage

This stage emerged from the period termed the “Old Stone Age” and witnessed the quest for human survival through the use of stones in making tools for hunting in the wild for food and necessities. This was preceded by the “New Stone Age”, which was characterised by the Agricultural Revolution. This period was marked by the use of a systematic approach to the farming of animals and plants, thus leading to increased security for human survival. During this stage, tools, food, and clothing were gathered from the wild and used solely as utilitarian or functional products for human survival; thus, consumption was about survival.

### 4.2.2 Consumerism Stage

This period emerged from the “Middle Ages” and the “Industrial Revolution” between the nineteenth and the twentieth centuries which was characterised by the rise of secularisation and capitalism as well as scientific and technological advancement (Yalley, 2012). This led to the invention of machines, steam power, textile, cement, and brick making and advancement of transportation on roads and the waters, thus, contributing to the creation of industries and jobs, mass production of goods, improvement of living standards, and increased population and urbanisation. The mass production of goods led to many industrialists turning to marketers and advertisers to influence and manipulate consumer behaviour and spending towards the new economic and social order that emphasises and treasure materialism and the mass acquisition of products in satisfying consumer needs. This led to the emergence of the production orientation emphasising the mass production and consumption of goods, thus, production linked to consumption.

Veblen, in his book *The Theory of the Leisure Class* described the conspicuousness and wastefulness of consumer habit during this period in occupying one’s leisure time as well as a social display of status and hedonism rather than mere survival (Veblen, 1899). Thus, this motivated Slater to associate consumer culture with a culture of consumption (Slater, 1997). Soper attributed consumerism during this stage as the main cause of the disparity between the haves and have-not and global warming. He identified the search for vanity and hedonic experiences and hyper-consumption as characterising this stage (Soper, 2017).

### 4.2.3 Post-Consumerism Stage

The transformations associated with the “Industrial Revolution” and its detrimental effect on the environment including global warming, pollution, and environmental degradation led to the quest for finding alternative sustainable solutions. This stage, which Soper referred to as post-consumerism, is related to consumer dissatisfaction with the consumerism culture and the quest to address this through sustainability,



pro-environmental, and green marketing initiatives including green production of goods and services, fair trade purchasing, green taxation, and green advertisement, amongst others (Soper, 2017). The emergence of this stage is in tune with Boztepe view that the rise of post-consumerism is linked to consumer's historical level of environmental awareness and evoke environmental interest (Boztepe, 2012) and as commented by Stern, today's consumers are looking at the best value and sustainable products that do not harm the environment as they realise that their behaviours as consumers are harmful to the natural environment (Stern, 2000).

### 4.3 Defining Green Consumer Behaviour

The term “green” has generally been used as it refers to a specific colour that is associated with health, nature, life, fertility, and happiness, and it has become synonymous with sustainability and pro-environmental marketing initiatives. The term green has also been used in reference to groups and associations, including political parties as well as actions that demonstrate concern for the environment. Amongst these groups or actions have emerged the term “green consumers”. Boztepe defines a green consumer as anyone “who adopts environmentally friendly behaviours and/or who purchases green products over the standard alternatives” (Boztepe, 2012, p.7). Other scholars have related it to a person who purchases environmentally beneficial products (Mainieri et al., 1997). A green consumer, therefore, can be defined as anyone whose purchasing behaviour is strongly influenced by environmental concerns. Green consumers can be described as persons who are open-minded in accepting green products and behaviours (Shamdasani et al., 1993).

Having defined a green consumer, let us now define green consumer behaviour. Consumer behaviour is about how consumers buy, use, and dispose of products in satisfying their needs and in shaping their identities, feelings, and beings (Solomon, 2015). Within the green marketing domain, Mostafa referred to it as environmentally friendly buying behaviour and defined it as the “consumption of products that are benevolent/beneficial to the environment, recyclable or conservable, sensitive/

responsive to ecological concerns” (Mostafa, 2007, p.221). We defined green consumer behaviour as the processes green consumers go through in the planning, buying, consuming, and disposing of goods and services that are environmentally safe to satisfy human needs. This definition recognises green consumer behaviour as entailing a planning stage, which is about everything the consumer does in ensuring that their needs and product choice are in tune with sustaining the environment. It is also altruism in nature because it considers the interest of humankind when making purchasing and consumption decisions.

## 4.4 Segmenting Green Consumers

Green consumers exhibit different types of behaviours and attitudes and come in different demographics, personalities, and lifestyles. Segmentation provides opportunities for green marketers in dividing their target audience into identifiable groups in order to target them with unique green marketing value propositions and in influencing their behaviour. Several scholars have differentiated green consumers using different variables. For instance, several scholars have identified the following as being green consumers, for example high-social class and highly educated middle-aged women (e.g. Prothero, 1990; Simon, 1992; Chan, 2000). Also, people living in larger American cities and rural Britain (Prothero, 1990; Schwepker & Cornwell, 1991) and people who are self-controlled, dogmatic, less conservative, well organised, and goal-oriented (Pettus & Gilles, 1987). And in emerging countries, education, occupation, income, and other socio-demographic characteristic have been found to be the differentiating factors between green consumers and standard consumers (Chan, 2000; Jain & Kaur, 2006).

Based on these defining characteristics, several scholars have segmented green consumers differently; for instance, Emery (2012) segmented them into:

- Committed (engaged and highly committed to sustainability)
- Mainstream (aspirational with medium commitment)
- Occasional (basic engagement with low commitment)

- Non-environmentalist (disengaged and no commitment)

Also, in a study in Kuwait, Mostafa (2009) segmented them into:

- True-greens: representing 45.22% of the population and are knowledgeable about the environment and have a positive attitude and intentions to buy green products.
- Reluctant greens: representing 20.57% of the population and although do not hold strong attitudes and intentions to buy green products, they still consume green products.
- Basic browns: representing 21.77% of the population and do not intend to buy green products and they are highly sceptical about green products.
- Potential greens: representing 12.44% of the population and although sceptical about environmental claims, they still have a positive attitude and intention to buy green products.

Finally, Table 4.1 presents Finisterra do Paço et al.'s (2009) segmentation of green consumers.

## 4.5 Influencing Green Consumer Buying Behaviour

Corporate environmental scandals including the Volkswagen emissions scandal, ExxonMobil global warming scandal, and House of Fraser sale of real fur as fake fur have impacted on their brand value, customer loyalty, and profitability and as a result, corporations have begun to recognise the benefits of green marketing to their businesses. Researchers have observed that firms that respond appropriately to the changing business environment including the need for sustainability and pro-environmentalism have greater chances of introducing new products and markets, generating customer loyalty and satisfaction, profitability, and long-term survival (Banerjee et al., 2003; Luo & Bhattacharya, 2006; Hopkins et al., 2009; Olsen et al., 2014). Additionally, researchers globally, including

**Table 4.1** Segmentation of green consumers

Segment	Characteristics
The uncommitted	This segment consists of 36% of the population and consists of younger people mainly between the ages of 18 and 34 living in urban areas and with a higher level of education and working in the service, sales, and administrative workers as well as students and with a low monthly income. Individuals within this segment although claim to be environmentally conscious, their attitude and behaviour are not consonant with their perceived awareness.
The green activists	This segment represents 35% of the population and are individuals aged between 25 and 34 years and 45 and 54 years and represent a combination of two generations. This segment consists of individuals with the highest level of education and working in senior management and specialist occupations, thus earning higher incomes. These individuals unlike the uncommitted segment demonstrate environmental consciousness and this reflects in their attitudes and green behaviour. However, this group is sceptical about environmental claims by firms.
The undefined	This segment represents 29% of the population and includes individuals from a lower educational background and higher age groups. These individuals are mainly a mixture of unskilled workers, service/sales and administrative workers, and some middle-level managers with a lower income as compared to the other segments. Unlike the other segments, this segment claims to have limited knowledge about environmental issues and is of limited importance to them. Similar to the activist, they are sceptical about environmental claims by firms.

Adapted from Finisterra do Paço et al., 2009, p. 23

emerging economies (e.g. Istanbul and South Africa), have empirically identified a positive relationship between firms' green initiatives through the appropriate application of the marketing mix variables and green consumer purchasing behaviour (Phillips, 1999; Boztepe, 2012; Govender & Govender, 2016).

However, influencing green consumer behaviour and decision-making is not fortuitous but influenced by several factors. To contextualise this within emerging economies, for instance, Adetola and colleagues identified social influence, environmental concerns, and brand strength as influencing green purchase intention in Nigeria (Adetola et al., 2017). In

Hong-Kong and China, environmental consciousness was identified as the key most important influencer of consumer attitude towards environmental issues and green purchase behaviour (Cheung & To, 2019). Finally, in India, the social influence, environmental consciousness, attitude towards green behaviour, willingness to pay, self-identity, and perceived behaviour control were identified as influencing green purchase intention (Gupta & Singh, 2019).

To conceptualise this, White and her colleagues identified social influence, habit formation, the individual self, feelings and cognition, and tangibility as the key factors influencing sustainable consumer behaviour through their SHIFT Framework (White et al., 2019a). Using their proposed framework and consumer behaviour and psychological theories, the following factors were identified as influencing green consumer buying behaviour.

### 4.5.1 Socio-culture

Underpinning any societal reform, particularly consumerism is the influence of culture and social elements. Culture is a fundamental determinant of every consumer's needs and behaviour. Culture may represent itself in the form of national and sub-culture, and these forces have significant influences on green consumer behaviour. Hofstede's cultural dimensions as a representation of national culture have a strong influence on consumer behaviour particularly when it comes to environmental issues (Park et al., 2007; Afzal et al., 2019). Also, within each culture lies smaller sub-cultures that exhibit peculiar identification, socialisation, and behaviour for its members. These include nationalities, religions, geographic locations, ethnic groups, and social class, and these groups also exhibit different attitudes and behaviours towards the environment, and green initiatives.

Social factors relate to how society is organised and how people relate and connect with each other. Scholars have demonstrated that social norms, social desirability, and social identity can have a tremendous effect on consumer behaviour towards the environment and other green marketing initiatives (Green & Peloza, 2014; White et al., 2019a). For

instance, in societies where eco-friendly transportation is a social norm, particularly in countries like Switzerland, Netherlands, and Germany, such behaviours become automatic consumer behaviour. This also applies to the choice of food, energy, and green hotels. Also, a person's reference and aspirational group, as well as cliques, can have a profound influence on his/her attitudes and behaviour, particularly with the growing adoption of social media in emerging countries, cliques, and aspirational groups tend to have a powerful influence on consumer green behaviour and product choice.

### 4.5.2 Habits

Habits like the popular saying “we become what we repeatedly do” and according to behavioural psychologist, habits are formed when a behaviour is performed repeatedly in response to a stimulus. Habits have been described as involuntary behaviour stimulated by environmental cues and have a profound effect on green buying, consumption, and disposal choices (Solomon, 2015; Verplanken & Roy, 2016). In influencing green buying and consumption habits, behavioural psychologists recommend implementing appropriate interventions in altering consumer's old habits and instituting new habits (Marien et al., 2019). This involves altering consumer materialistic and environmental degrading habits and forming new green habits by making the need for a changed habit an important aspect of green behaviour change (Verplanken, 2011).

This requires interventions in ceasing old materialistic and environmental degrading habits and forming new habits that conform to pro-environmentalism and green. Interventions such as carrots and sticks, thus, rewards and penalties are examples of good measures for encouraging the repetition of green habits and discouraging environmental degrading habits respectively. Also, the simplification of sustainable actions and the use of prompts in strengthening repetition and encouraging positive habits have been found to be very effective (White et al., 2019a). In practices, the use of monetary rewards, fines, import tariff, prompts, and reinforcement of green behaviours has been found to be effective in influencing green behaviour in several countries (Fullerton & Kinnaman, 1995; Krause, 2009; Osbaldiston & Schott, 2012),

### 4.5.3 The Self

The self represents the uniqueness of each individual in their demographic and psychological makeup and this affects what they buy and consume. It also defines our attitudes, intentions, and behaviour; thus, it goes with the popular saying, “we are what we buy”. Each person has what is referred to as “the real-self” and “the ideal-self”. A person’s real-self depicts a true image of themselves, and this influences their buying and consumption behaviour; thus, a person who considers him/herself as being an environmentalist would purchase and consume products that demonstrate concern for the environment. Ideal-self, on the other hand, refers to one’s notion of what he/she wants to be and has an effect on their buying and consumption behaviour. Thus, a person who aspires/fantasise of becoming an upper-class citizen would tend to energy-efficient products to reflect that aspiration. The ideal-self may exhibit itself in the form of an individual fantasy and virtual reality games and makeovers have made it possible for individuals to express their ideal-self digitally.

#### 4.5.3.1 Self-concept and Self-consistency

The self may reflect itself in our self-concept. Self-concept refers to a person’s beliefs about him/herself, and this has a strong connection with their tendency to exhibit behaviours that conforms with those beliefs, particularly their consumption behaviour (Dunning, 2007). Thus, people who hold strong and positive views and beliefs about being green and pro-environmental will exhibit behaviours that demonstrate they are green and saving the environment (Murtagh et al., 2015; Weber, 2016). Consumers in affirming their self-concept also wish to be consistent in their beliefs and behaviour. This is demonstrated in the consistency of people involved in green and sustainable behaviours not only in one domain but in other domains of sustainability, environmental and green, thus self-consistency having a domino effect on similar behaviours (Juhl et al., 2017; White et al., 2019a).

### 4.5.3.2 Self-interest

By nature, humans are motivated by self-interest and evolutionist, and economists have demonstrated the role of self-interest in influencing pro-environmental behaviours. This implies that green consumer behaviours can be harnessed by demonstrating and communicating the benefits customers seek in partaking in green initiatives and this can aid in minimising the barriers to green behaviours (Lanzini & Thøgersen, 2014). These benefits may include the product quality, price, prestige, functionality, and aesthetics of green products.

### 4.5.3.3 Demographic Characteristics

Individuals differ in demographic characteristics such as age, gender, income, and educational level and this has been shown to influence consumer sustainable and green behaviours (Luchs & Mooradian, 2012; Gifford & Nilsson, 2014). Also, other scholars have identified it to be a differentiating factor between green and standard consumers (Chan, 2000; Jain & Kaur, 2006).

## 4.5.4 Psychological Factors

Consumer behaviour is largely influenced by psychological factors, including motivation, cognitive, and affective factors.

### 4.5.4.1 Motivation

When consumers recognised a need/problem, particularly an environmental problem, the intensity of the problem automatically simulates a drive to address that problem. This is what is referred to as motivation. Maslow's hierarchy of needs postulates that people are motivated by specific needs at different times in a hierarchy order from physiological, safety, social, esteem, and self-actualisation needs, and depending on one's level on the hierarchy, they will be driven to satisfy that particular



need. The need to be green or pro-environmental may exhibit itself at the different levels of the hierarchy. For instance, a customer seeking social acceptance may imitate friends' and neighbours' recycling or cycling to work behaviour. A person seeking esteem may purchase an eco-friendly car and exhibit it on social media to gain respect from friends and followers. Durgee (1991) identified several consumption motives including security, social acceptance, individuality, status, femininity, rewards, mastery of the environment and these motives can influence consumer's green buying and consumption behaviour.

#### 4.5.4.2 Cognitive

This relates to how an individual consumer goes through a logical and systematic process in making purchasing and consumption decisions. This is in line with the economist's view that consumers are rational beings and they follow a logical step in their decision-making and consumption behaviour. Cognitive actions and behaviour are deliberate and control consumers' decision-making. This, according to Solomon, refers to the information-processing perspective of consumer decision-making and focuses on how consumers learn, remember, and form perceptions about products and services (Solomon, 2015). By creating awareness of environmental problems and green marketing initiatives, consumers may involve themselves in a conscious intellectual process including awareness, attitudinal change, and finally behavioural change towards eco-friendly products and actions (McKenzie-Mohr, 2000; Yalley, 2018).

#### 4.5.4.3 Affective

Affective, unlike cognitive, focuses more on consumers' emotional reactions in making purchase and consumption decisions. This relies on the use of emotional arousal in changing consumer moods. Positive and negative affect through love/happiness appeals and fear marketing communications respectively have been used in influencing consumer attitudes and behaviour towards green products and brands as well as in social

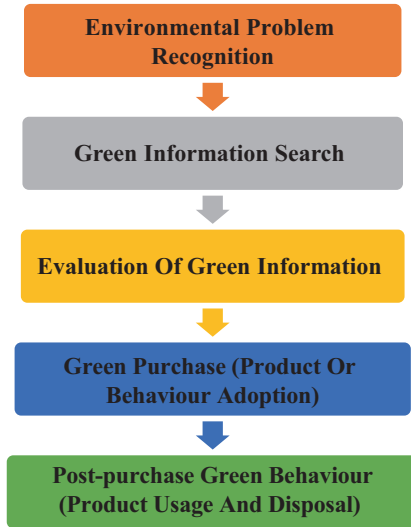
marketing in influencing behaviour. As explained, hedonism or positive affect has the ability in engaging consumers in pro-environmental actions and behaviour (Corral-Verdugo et al., 2009).

## 4.6 Green Buying and Consumption Decision Process

The consumer decision process for the buying and consumption of goods and services generally involves a systematic process entailing five key stages. These are need/problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behaviour. However, the neglect of the altruism and long-term maximisation of environmental benefits with the generic marketing consumer buying behaviour theories necessitate a green perspective in the theorisation of the green consumer buying and consumption decision process. Based on this logic, we proposed the following stages as representing the green buying and consumption decision process. This is presented in Fig. 4.1 and discussed below.

### 4.6.1 Environmental Problem Recognition

The green buying and consumption decision process starts with the realisation of an environmental problem that a consumer seeks to address. This represents the difference between the consumer's actual state and the desired state. For example a consumer who experiences breathing problems associated with air pollution represents his/her actual state, and his/her yearning for fresh air or pollution-free breath represents his/her desired state. This creates an environmental problem and opportunity for the customer to take action to address this. Green or environmental problems can be triggered internally through a customer's own experience or need or externally through a green marketing appeal/campaign. Consumer environmental problems may include pollution, species extinction, global warming, and deforestation amongst others and it is



**Fig. 4.1** Green consumer buying and consumption decision process

the green marketers' job to sensitise consumers on these environmental problems and the green products and initiatives available to address these problems.

## 4.6.2 Green Information Search

Once a consumer's environmental problem has been triggered, the consumer will automatically take action to address that problem. The consumer would "Google" different sources of information including personal sources, commercial, public, and experiential sources in making a rational decision. The search may range from internal search through the consumer's memory to external search through commercial and public sources. Depending on the consumer's level of environmental problem arousal, consumers may engage in different forms of information search. For example a consumer with low environmental problem arousal may engage a low-level information search termed "heightened attention". This involves consumers becoming passively receptive to communication

and information relating to the environment and green products. Consumers with higher environmental problem arousal, on the other hand, may engage in an active information search, thus, taking a proactive initiative in searching for information on the environmental problem and green products and initiatives.

Today, the internet and social media platforms as well as apps (e.g. Sustainability matters, Olio, FlashFood, HowGood, iRecycle, and Climate Neutral) provide green consumers with ever-increasing information on environmental problems and green products and initiatives. The green marketers' job is to make information accessible to customers and provide the right information to aid consumers' green decision-making.

### 4.6.3 Evaluation of Green Information

This stage involves choosing amongst alternative green products based on the information generated during the information search stage. A consumer's ability to make the right decision is dependent on the quality of information generated during the previous stage. During this stage, consumers evaluate alternative green products and initiatives by recalling the brands that comes into their memory when addressing a particular green problem. The brands that the consumer recall is what is termed the "evoked set" and amongst the "evoked set", a consumer may consider some products and brand as acceptable for consideration, which is termed the "consideration set". Finally, when selecting a specific product within the consideration set, the consumer may categorise products using certain environmental/green criteria including energy-efficient, recyclable, reusable, fair trade, emission level, and reduction in carbon footprint. Using these criteria, the consumer may evaluate each product in selecting the final product. Table 4.2 presents a consumer's purchase evaluation for an energy-efficiency refrigerator with each attribute rated from 0 to 5 with 5 representing the highest rating. The green marketers' job is to make the consumer's decision-making easier by presenting the relevant information through their green marketing communication and product labelling.

**Table 4.2** A consumer purchase evaluation for an energy-efficient refrigerator

Product	Attribute ratings				Total
	<i>Energy-efficient</i>	<i>Recyclable</i>	<i>Noise level</i>	<i>Emission level</i>	
A	4	3	2	3	12
B	2	2	1	2	7
C	4	4	3	3	14

#### 4.6.4 Green Purchase (Product or Behaviour Adoption)

Once a consumer has evaluated the available information related to a green product or behaviour and finally settled on one, it is not automatic that the consumer will eventually buy the product or adopt a particular green behaviour. At this stage, the green consumer may still be deciding whether to postpone, modify, or avoid the purchase entirely and it is incumbent on green marketers to identify the perceived risk or factors that may influence such decision and mitigate them. These risks include:

- Functional risk: the energy-efficient refrigerator might not be energy-efficient as claimed.
- Physical risk: the refrigerator may contaminate the customer's food and items in case it does not work or freeze due to its low kilowatt
- Financial risk: the refrigerator is too expensive and not worth the price charged

#### 4.6.5 Post-Purchase Green Behaviour (Product Usage and Disposal)

Once the consumer has purchased a green product or an energy-efficient refrigerator, he/she may experience either a positive or a negative cognitive dissonance depending on the extent to which those perceived risks were addressed. Green marketers should reinforce a consumer's green choice by providing guarantees and support services. Also, once the customer has bought the product, then the moment of truth comes in. Based on the experience with the product, the consumer will evaluate his/her

satisfaction or dissatisfaction with the green product. Satisfied green consumers are more likely to re-purchase the product, repeat the behaviour, or recommend it to others. Dissatisfied customers, on the other hand, may take public or private actions including complaining to the firm and a regulatory body or avoiding buying the products or engaging in negative WOM, respectively.

Finally, after product consumption, the final ritual is product disposal. Here, green marketers should understand how consumers dispose of their products and initiate programmes and interventions that ensure sustainability. This can be through discounts for returning a used product as well as opportunities for refilling and reusing.

## 4.7 Understanding Green Attitude and Behaviour

Attitudes are powerful and complex elements in consumer behaviour as they influence consumer's everyday decisions and behaviour. Attitudes as complex as they are, are also an important concept in understanding how consumers form opinions and awareness on green products: choose, buy, consume, and dispose of products. Our attitudes influence the schools we attend, the clothes we wear, the drink we consume, the political party we support, the church we attend, the products we buy, and how we dispose of products. Attitude, as generally used, refers to a steady thought or feeling about a person or something. However, within the consumer behaviour context, it refers to "a lasting, general evaluation of people (including oneself), objects, advertisement, or issues" (Solomon, 2015, p.323). This may include one's evaluation of green products versus standard products and a firm's green advertisement and other environmental initiatives. These evaluations are lasting because consumers hold these thoughts and emotions over time compared to a momentum feeling or thought. Attitudes, according to Solomon (2015) serve as the following functions:

- Knowledge function: this is cognitive focused and provides orderliness and meaningful perspective in our buying and consumption decision-making.
- Value-expressive function: serves as an expression of the relationship between a product and an individual self-concept, thus the use of products and behaviours to communicate identity, interest, and values.
- Ego-defensive function: this refers to the use of attitudes to defend ourselves against internal and external threats.
- Utilitarian function: this refers to the use of *carrot and stick* principles that humans will avoid things that bring pain (stick) and seek those that bring pleasure (carrot) in forming positive and negative attitudes towards product and consumption behaviours.

## 4.8 Models on Green Attitudinal and Behavioural Change

Understanding the sequential relationship between affect (emotions), cognitive (knowledge), and behaviour (doing) is important in understanding attitudinal change. The ABC model of attitude and the extended Fishbein Model provide the avenue to understand how attitudes and behaviour can be changed.

### 4.8.1 ABC Model of Attitude

ABC model of attitude seeks to understand the role and sequence of cognition (knowing), feeling (affect), and doing (behaviour) in determining the type and route to consumer attitude. The ABC model postulates three hierarchies of effect:

#### 4.8.1.1 The Low-Involvement Hierarchy

This postulates that consumers' preferences for a particular green product or brand are influenced by purchase and usage experience of the product

or brand and based on this experience, consumers may develop an emotional attachment towards the product or brand (affect) and finally develops knowledge about the product or brand. This is referred to as the behavioural learning processing based attitude and relates to the consumer habitual decision-making process. This is presented in Fig. 4.2.

#### 4.8.1.2 Standard Learning Hierarchy

This is the reverse of the low-involvement hierarchy and postulates that consumers follow a logical step-by-step problem-solving process. Under this, a consumer may form emotions about green products, brand, and behaviours based on accumulated knowledge developed through different communication sources regarding the product, brand, or behaviour. Following that, the consumer buys and consumes a green product or undertakes the expected green behaviour. This theory is underpinned by the economics assumption that consumers are rational beings and maximise their utility through information processing before making purchasing decisions. This is referred to as cognitive information processing based attitude and relates to the cognitive decision-making process. This emphasises the need for green marketers to use convincing information on why consumers should act green and buy green products. This is presented in Fig. 4.3.

#### 4.8.1.3 Experiential Hierarchy

This theory postulates that consumers' behaviour and knowledge about a green product or behaviour is stimulated by positive emotions towards green products and behaviour. This emphasises the need for green marketers to tap into customers' emotions through green advertising and other hedonic means in influencing consumer behaviour. This is presented in Fig. 4.4.



Fig. 4.2 Low-involvement hierarchy





Fig. 4.3 Standard learning hierarchy



Fig. 4.4 Experiential hierarchy

## 4.8.2 The Extended Fishbein Model

This model represents an advancement of the original Fishbein model for improving its behavioural prediction limitation. This is attributed to the managerial challenge associated with predicting actual behaviour through behavioural intention. For instance, a Harvard Business Review report observed that although 65% of consumers report having a positive attitude and buying intention towards green products, only 26% engage in the actual behaviour (White et al., 2019b). Thus, the extended Fishbein model underpinned by the Theory of Planned Behaviour (TPB) postulates that attitude, subject norms, and perceived behavioural control together shape an individual's behavioural intentions and behaviours. The theory contends that to influence green intentions and subsequently actual behaviour, consumers' attitude towards green products, the influence of significant others on the green product, and customer's perceived ease of performing a particular green behaviour are key ingredients. Various studies on green and the environment using TPB have confirmed the effect of these factors on consumer's green and environmental behavioural intentions and actual behaviour (e.g. Brewer & Stern, 2005; Koger & Winter, 2010; Rodgers & Brawley, 1996).

## 4.9 Changing Consumer Attitudes Towards Green Behaviour

The managerial challenge associated with turning green attitudes and intentions into green behavioural change requires strategic interventions by governments, businesses, and green marketers in addressing this

paradox and the obstacles associated with green behavioural change. These obstacles include:

- misconceptions and misunderstanding of green products
- mistrust in environmental claims and advertisement
- intangible nature of green outcomes
- cost of green products
- other external factors

To address these challenges, the SHIFT and Kurt Lewin Model of Change are effective tools:

### 4.9.1 The SHIFT Framework

White and her colleagues identified five key factors as the main influencers of sustainable and green consumer behaviour through their SHIFT Framework (White et al., 2019a; White et al., 2019b). These factors and implications are presented in Fig. 4.5.

Adapted from White et al., 2019a, pp. 25–31; White et al., 2019b

### 4.9.2 The Kurt Lewin Model of Change

This model involves a three-stage process for managing change entailing unfreeze, change, and refreeze. Although this was developed for managing organisational change, including altering employee mentality and awareness towards change, it has a wide application in changing customer perception, attitude, and behaviour towards change in their consumption lifestyle. Table 4.3 presents Kurt Lewin's model of change and its managerial application in changing consumer attitudes and behaviour towards green.

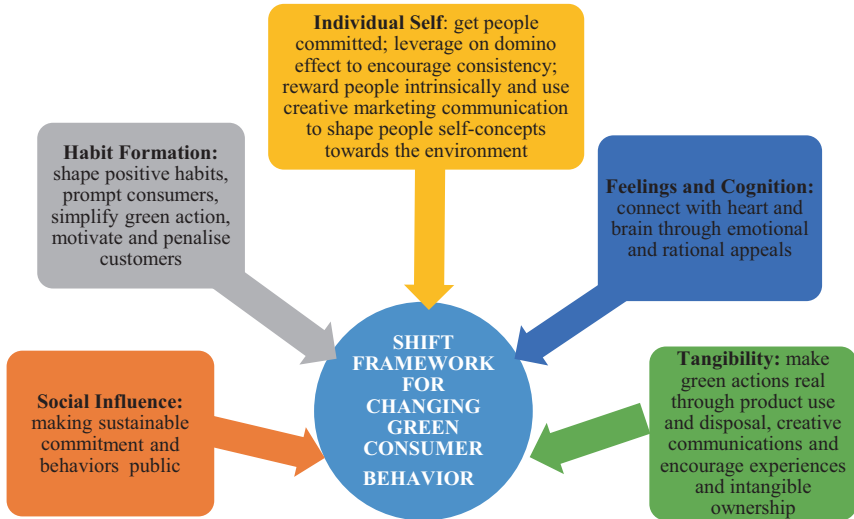


Fig. 4.5 The SHIFT framework

## 4.10 Recommendations for Emerging Economies

Based on the findings of this paper, the following are recommended. For green marketing scholars, further research is required in identifying and understanding the different segments of green consumers in emerging countries. Also, further empirical research is required in understanding the influence of affective and cognitive involvement on green consumers' attitudes and behavioural intentions in emerging economies.

For practitioners, the marketing of green products in emerging economies necessitates the development of creative marketing communication strategies in creating awareness of green products and in influencing consumer attitudes and behaviour. This includes the use of emotional and rational appeals in connecting and influencing the heart and mind of green consumers. Also, the use of promotional and pricing strategies including discounts and vouchers is recommended in encouraging consumer purchase of green products.

**Table 4.3** Kurt Lewin’s model of change implications for green behavioural change

Stage	Task	Application
Unfreeze: Initiate the change	Initiate the need for change by informing customers on the effect of their consumption habits on the environment and the need to change their consumption habits towards eco-friendly products. Prepare the stage for the change	<ul style="list-style-type: none"> <li>• Institute interventions that support green and introduce green products and its accompanying green marketing mix.</li> <li>• Apply creative marketing communication in creating awareness through                             <ul style="list-style-type: none"> <li>– positive and negative appeals</li> <li>– environmental documentaries</li> </ul> </li> <li>• Get customers ready for change by:                             <ul style="list-style-type: none"> <li>– addressing any objections, uncertainty, and doubt</li> <li>– developing customers’ willingness to change</li> <li>– developing customers’ knowledge of the change</li> <li>– involving customers in the change process</li> <li>– communicating the change clearly to customers</li> </ul> </li> </ul>

*(continued)*

Table 4.3 (continued)

Stage	Task	Application
Change: Implement the change	Commit resources for the change Manage customer cognitive dissonance Motivate customers through carrots and sticks Communicate with customers	<ul style="list-style-type: none"> <li>• Ensure the necessary resources are available before undertaking any green initiative. For example the provision of facilities to recycle, chargers for electric cars, and so on.</li> <li>• Continuously reassure customer that they made the right choice going green.</li> <li>• Reward customers for going green through discounts, vouchers, certificates, and so on.</li> <li>• Penalise customers for unsustainable behaviours through fines, taxes, tariffs, and so on.</li> <li>• Keep communicating a clear picture of the desired change and its associated benefits through creative marketing communication.</li> <li>• Prompt customers to buy and behave green through messages and instructions that are clear, visible, accessible, and easy to follow.</li> <li>• Use role models and influencers to shape and encourage green behaviour.</li> </ul>

*(continued)*

Table 4.3 (continued)

Stage	Task	Application
Refreeze: Solidify the change	Provide feedback Normalise the change Reinforcing the change	<ul style="list-style-type: none"> <li>• Monitor and evaluate customer green behaviour and provided feedback for improvement.</li> <li>• Permanently institute the new context and culture that support the change.</li> <li>• Stabilise and normalise the changes.</li> <li>• Leverage on the spillover effect of the change on other areas of green and sustainability behaviours.</li> <li>• Create a lock-in effect with the new changes by: <ul style="list-style-type: none"> <li>• getting customers to agree and sign a behavioural contract</li> <li>• penalising customer for unsustainable behaviours</li> <li>• withdrawing facilities/ conditions that encourage old habits</li> </ul> </li> </ul>

For policymakers in emerging countries, the findings of this work require the institution of carrots and sticks measures for rewarding and penalising customers/citizens for their behaviours towards sustainable green behaviours. Rewards may include tax exemptions when purchasing green and sustainable products. Penalties may include fines, taxes, and tariffs on unsustainable products and behaviours. Also, policymakers and public officials should ensure the availability of the necessary resources before undertaking any green initiative. For example the provision of facilities for recycling, chargers for electric cars, and so on. Finally, they should withdraw facilities and conditions that encourage unsustainable green behaviours.

## 4.11 Conclusion

Consumer awareness and sensitivity of environmental issues have led to a new consumerism culture focusing on altruistic and green buying and consumption. Fostering and sustaining this culture requires an attitudinal and behavioural change amongst consumers; thus, understanding consumer green behaviour is fundamental in deciding the green marketing strategies and tactics firms should pursue. This chapter identified the different segments of green consumers and the socio-cultural, personal, and psychological factors influencing green buying and consumption decision as well as the strategies for changing consumer green attitudes and behaviour. This understanding will enable firms to pursue green marketing agendas in their marketing mix strategies and tactics as well as in influencing consumer attitudes and behaviours towards eco-friendly and green products.

## References

- Adetola, A., Ejiro, P. A., & Eguononefe, A. (2017). Green Awareness and Consumer Purchase Intention of Environmentally-Friendly Electrical Products in Anambra, Nigeria. *Journal of Economics and Sustainable Development.*, 8(22), 98–112.
- Afzal, F., Shao, Y., Sajid, M., & Afzal, F. (2019). Market Sustainability: A Globalisation and Consumer Culture Perspective in the Chinese Retail Market. *Sustainability*, 11(3), 1–26. <https://doi.org/10.3390/su11030575>
- Banerjee, S. B., Iyer, E. S., & Kashyap, R. K. (2003). Corporate Environmentalism: Antecedents and Influence of Industry type. *Journal of Marketing*, 67(2), 106–122.
- Boztepe, A. (2012). Green Marketing and its Impact on Consumer Buying Behavior. *European Journal of Economic and Political Studies*, 5(1), 5–21.
- Brewer, G. D., & Stern, P. (2005). *Decision Making for the Environment: Social and Behavioral Science Research Priorities*. National Academies Press.
- Chan, K. (2000). Market Segmentation of Green Consumers in Hong Kong. *Journal of International Consumer Marketing*, 12(2), 7–24. [https://doi.org/10.1300/J046v12n02\\_02](https://doi.org/10.1300/J046v12n02_02)

- Cheung, M. F. Y., & To, W. M. (2019). An Extended Model of Value-Attitude-Behavior to Explain Chinese Consumers' Green Purchase Behavior. *Journal of Retailing and Consumer Services*, 50, 145–153.
- Corral-Verdugo, V. '., Bonnes, M., Tapia-Fonllem, C. '., Fraijo-Sing, B., Frías-Armenta, M., & Carrus, G. (2009). Correlates of Pro-Sustainability Orientation: The Affinity Towards Diversity. *Journal of Environmental Psychology*, 29(1), 34–43.
- Dunning, D. (2007). Self-image Motives and Consumer Behavior: How Sacrosanct Self-beliefs Sway Preferences in the Marketplace. *Journal of Consumer Psychology*, 17(4), 237–249.
- Durgee, J. (1991). Interpreting Dichter's Interpretations: An Analysis of Consumption Symbolism. In L. H. Hartvig, M. D. Glen, & A. Christian (Eds.), *The Handbook of Consumer Motivations in Marketing and Semiotics* (pp. 52–74). Handelshojskolens Forlag.
- Emery, B. (2012). *Sustainable Marketing*. Ashford Colour Press.
- Finisterra do Paço, F. A., Raposo, B. M., & Filho, W. (2009). Identifying the Green Consumer: A Segmentation Study. *Journal of Targeting, Measurement and Analysis for Marketing*, 17(1), 17–25. <https://doi.org/10.1057/jt.2008.28>
- Fullerton, D., & Kinnaman, T. C. (1995). Garbage, Recycling, and Illicit Burning or Dumping. *Journal of Environmental Economics and Management*, 29(1), 78–91.
- Gifford, R., & Nilsson, A. (2014). Personal and Social Factors That Influence Pro-Environmental Concern and Behaviour: A Review. *International Journal of Psychology*, 49(3), 141–157.
- Govender, J. P., & Govender, T. L. (2016). The Influence of Green Marketing on Consumer Purchase Behavior. *Environmental Economics*, 7(2), 77–85.
- Green, T., & Peloza, J. (2014). Finding the Right Shade of Green: The Effect of Advertising Appeal Type on Environmentally Friendly Consumption. *Journal of Advertising*, 43(2), 128–141.
- Gupta, A., & Singh, U. (2019). Factors Affecting Environmentally Responsive Consumption Behavior in India: An Empirical Study. *Jindal Journal of Business Research*, 8(1), 16–35.
- Hopkins, M. S., Townend, A., Khayat, Z., Balagopal, B., Reeves, M., & Berns, M. (2009). The Business of Sustainability: What It Means to Managers Now. *MIT Sloan Management Review*, 51(1), 20.
- Jain, S. K., & Kaur, G. (2006). Role of Socio-Demographics in Segmenting and Profiling Green Consumers. *Journal of International Consumer Marketing*, 18(3), 107–146. [https://doi.org/10.1300/J046v18n03\\_06](https://doi.org/10.1300/J046v18n03_06)



- Juhl, H. J., Fenger, M. H. J., & Thøgersen, J. (2017). Will the Consistent Organic Food Consumer Step Forward? An Empirical Analysis. *Journal of Consumer Research*, 44(3), 519–535.
- Kaufmann, H. R., Panni, M. F. A. K., & Orphanidou, Y. (2012). Factors Affecting Consumers' Green Purchasing Behavior: An Integrated Conceptual Framework. *Amfiteatru Economic Journal*, 14(31), 50–69.
- Khan, J. M. (2013). A study on Consumers attitudes towards Green marketing and Green products. *International Journal of Advanced Trends in Computer Science and Engineering*, 2(6), 258–268.
- Koger, S. M., & Winter, D. D. N. (2010). *The Psychology of Environmental Problems: Psychology for Sustainability*. Psychology Press.
- Krause, R. M. (2009). Developing Conditions for Environmentally Sustainable Consumption: Drawing Insight from Antismoking Policy. *International Journal of Consumer Studies*, 33(3), 285–292.
- Lanzini, P., & Thøgersen, J. (2014). Behavioural Spillover in the Environmental Domain: An Intervention Study. *Journal of Environmental Psychology*, 40, 381–390.
- Luchs, M. G., & Mooradian, T. A. (2012). Sex, Personality, and Sustainable Consumer Behaviour: Elucidating the Gender Effect. *Journal of Consumer Policy*, 35(1), 127–144.
- Luo, X., & Bhattacharya, C. B. (2006). Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*, 70(4), 1–18.
- Mainieri, T., Barnett, E. G., Valdero, T. R., Unipan, J. B., & Oskamp, S. (1997). Green Buying: The Influence of Environmental Concern on Consumer Behavior. *The Journal of Social Psychology*, 137(2), 189–204.
- Marien, H., Custers, R., & Aarts, H. (2019). Studying Human Habits in Societal Context: Examining Support for a Basic Stimulus–Response Mechanism. *Current Directions in Psychological Science*, 28(6), 614–618.
- McKenzie-Mohr, D. (2000). New Ways to Promote Pro-environmental Behavior: Promoting Sustainable Behavior: An Introduction to Community-based Social Marketing. *Journal of Social Issues*, 56(3), 543–554.
- Miller, T. (2007). *Cultural Citizenship: Cosmopolitanism, Consumerism and Television in a Neoliberal Age*. Temple University Press.
- Mostafa, M. M. (2007). Gender Differences in Egyptian Consumers Green Purchase Behavior: The Effects of Environmental Knowledge, Concern and Attitude. *International Consume Study Journal*, 31(1), 220–229.

- Mostafa, M. M. (2009). Shades of Green: A Psychographic Segmentation of the Green Consumer in Kuwait Using Self-organising Maps. *International Journal of Expert Systems with Application*, 36(1), 11030–11038.
- Murtagh, N., Gatersleben, B., Cowen, L., & Uzzell, D. (2015). Does Perception of Automation Undermine Pro-environmental Behaviour? Findings from Three Everyday Settings. *Journal of Environmental Psychology*, 42(Suppl C), 139–148.
- Ogiewwonyi, O., Harun, A. B., Alam, M. N., Karima, A. M., Tabash, M. I., Hossain, M. I., Aziz, S., Abbasi, B. A., & Ojuolape, M. A. (2020). Green Product as a Means of Expressing Green Behaviour: A Cross-Cultural Empirical Evidence from Malaysia and Nigeria. *Environmental Technology & Innovation*, 20, 1. <https://doi.org/10.1016/j.eti.2020.101055>
- Olsen, M. C., Slotegraaf, R. J., & Chandukala, S. R. (2014). Green Claims and Message Frames: How Green New Products Change Brand Attitude. *Journal of Marketing*, 78(5), 119–137.
- Osbaldiston, R., & Schott, J. P. (2012). Environmental Sustainability and Behavioral Science: Meta-analysis of Pro-Environmental Behavior Experiments. *Environment and Behavior*, 44(2), 257–299. <https://doi.org/10.1177/0013916511402673>
- Park, D., Lee, J., & Han, I. (2007). The Effect of On-line Consumer Reviews on Consumer Purchasing Intention: The Moderating role of Involvement. *International Journal of Electronic Commerce*, 11(4), 125–148. <https://doi.org/10.2753/JEC1086-4415110405>
- Perera, H. S. C., & Gunawardanab, T. S. L. W. (2014). Modern Consumerist Culture, Its Drawbacks and Benefits. In: *Reshaping Management and Economic Thinking through Integrating Eco-Friendly and Ethical Practices Proceedings of the 3rd International Conference on Management and Economics*. [online]. Sri Lanka: University of Ruhuna. <https://www.researchgate.net/publication/305266837>
- Pettus, A. M., & Gilles, M. B. (1987). Personality Characteristics and Environmental Attitudes. *Journal of Population and Environment*, 9(3), 127–137.
- Phillips, L. (1999). Green Attitudes. *American Demographics*, 21(4), 46–47.
- Prothero, A. (1990). Green Consumerism and the Societal Marketing Concept: Marketing Strategies for the 1990s. *Journal of Marketing Management*, 6(2), 87–103.

- Rodgers, W. M., & Brawley, L. R. (1996). The Influence of Outcome Expectancy and Self-Efficacy on the Behavioral Intentions of Novice Exercisers. *Journal of Applied Social Psychology*, 26(7), 618–634. <https://doi.org/10.1111/j.1559-1816.1996.tb02734.x>
- Sarigollu, E. (2009). A Cross-Country Exploration of Environmental Attitudes. *Environment and Behavior*, 41(3), 365–386.
- Schwepker, C. H., & Cornwell, T. B. (1991). An Examination of Ecologically Concerned Consumers and Their Intention to Purchase Ecologically Packaged Products. *Journal of Public Policy & Marketing*, 10(2), 77–101.
- Shamdasani, P., Chon-Lin, G. O., & Richmond, D. (1993). Exploring Green Consumers in an Oriental Culture: Role of Personal and Marketing Mix Factors. *Advances in Consumer Research*, 20(1), 488–493.
- Simon, F. (1992). Marketing Green Products in the Triad. *Columbia Journal of World Business*, 27(Fall and Winter), 268–285.
- Slater, D. (1997). *Consumer Culture and Modernity*. Polity.
- Solomon, M. R. (2015). *Consumer Behaviour: Buying, Having and Being* (11th ed.). S4Carlisle Publishing Service.
- Soper, K. (2017). *A New Hedonism: A Post-Consumerism Vision*. [online] The Next System Project. Available at: <https://thenextsystem.org/learn/stories/new-hedonism-post-consumerism-vision>
- Stern, P. C. (2000). Toward a Coherent Theory of Environmentally Significant Behavior. *Journal of Social Issues*, 56(3), 407–424.
- Swagler, R. (1994). Evolution and Applications of the Term Consumerism: Theme and Variations. *The Journal of Consumer Affairs*, 28(2), 347–360.
- Veblen, T. (1899). *The Theory of the Leisure Class: An Economic Study of Institutions*. Dover Publications.
- Verplanken, B. (2011). Old Habits and New Routes to Sustainable Behaviour, in Engaging the Public with Climate Change. In L. Whitmarsh, S. O'Neill, & I. Lorenzoni (Eds.), *Behaviour Change and Communication* (pp. 17–30). Taylor and Francis.
- Verplanken, B., & Roy, D. (2016). Empowering Interventions to Promote Sustainable Lifestyles: Testing the Habit Discontinuity Hypothesis in a Field Experiment. *Journal of Environmental Psychology*, 45, 127–134.
- Weber, E. U. (2016). What Shapes Perceptions of Climate Change? New Research Since 2010. *Wiley Interdisciplinary Review Climate Change*, 7(1), 125–134.

- White, K., Habib, R., & Hardisty, D. J. (2019a). How to Shift Consumer Behaviors To Be More Sustainable: A Literature Review and Guiding Framework. *Journal of Marketing*, 83(3), 22–29.
- White, K., Hardisty, D. J., & Habib, R. (2019b). *The Elusive Green Consumer*. [online] Harvard Business Review. <https://hbr.org/2019/07/the-elusive-green-consumer>.
- Yalley, A. A. (2012). Service Productivity Measurement: An Application to Higher Education Business and Management Schools. PhD thesis. Coventry: Coventry University. Retrieved from <https://curve.coventry.ac.uk/open/file/a4899d9c-dabc-4480-8fac-ff06e606ed8a/1/yalleycomb.pdf>
- Yalley, A. A. (2018). Voter Response to Logo Rebranding of Electoral Management Bodies in Young Democracies: The Rebranding of the Electoral Commission of Ghana. *Journal of Political Marketing*. <https://doi.org/10.1080/15377857.2018.1477692>



# 5

## Consumer Buying Behaviour for Green Products in India

Vishal Kumar Laheri and Anuradha Malik

### 5.1 Introduction

Concern for the environment is one of the prominent issues the world is facing today. COVID-19 pandemic has caused unprecedented situations worldwide and has forced people to think about the adverse social and environmental impact of their actions. Consumers are now expressing their interest in green purchases in food, cosmetics, electronics, toys, furniture, and many other product categories. This has created a new opportunity for marketers to create and communicate their products as environment-friendly and safer for health. In-depth understanding of various facets of green product management has been even more imperative for the development of business in post-pandemic world. The

---

V. K. Laheri (✉)

Institute of Management Studies, Banaras Hindu University, Varanasi, India  
e-mail: [vishalkumar@fmsbhu.ac.in](mailto:vishalkumar@fmsbhu.ac.in)

A. Malik

Department of Commerce, Government College, Barota, Gohana, India

environmentally conscious consumer behaviour is growing worldwide as a result of organisation's efforts at designing, promoting, pricing, and distributing products which are not harmful to the environment. For example Indian food brand companies such as Dabur, Horlicks, Indian Tobacco Company (ITC), Patanjali, and many other brands are adding 'immunity boost' layer to market their products worldwide.

Thus, there is a significant shift in consumer demand for the goods and services which are sustainable, healthy, and less damaging to the environment. Developing countries have seen a rapid increase in the demand for sustainable and environmentally friendly products in the last decade. Globally, the market for green products is expanding. India has become the centre of economic development and huge market potential for green products. According to the Research and Market report (2017) and European Commission (2017) report, the global CAGR for green products is 6.2 per cent, and Indian CAGR for green products is 20–25 per cent. The expected market size for green products by the year 2020 is US \$4.79 trillion and expected Indian market size is US \$40 billion. Thus, it is evident that CAGR for green products in India is much more than the global growth rate.

As per the research conducted by DuPont (2014) on consumer awareness and buying of green products in India, it has been reported that a majority of Indian consumers are aware of green products. India has been ranked first with respect to consumer confidence level that green products are safer for the environment as compared to the consumers of Canada, United States of America, and China. According to the study by National Geographic and Globescan (2014), India has also been ranked first among 18 countries with respect to the way consumers are responding to the environmental issues. Indian consumers' awareness for green products has increased manifold over time. So, the emphasis should be on green product management to harness the potential of pro-environmental Indian consumers.

The thorough review of literature revealed that there is a good scope of research in field of green product management in developing nations. There is a paucity of studies on green product management in the Indian context. The objectives of current research are to examine green practices

followed by top companies worldwide, to investigate green purchase behaviour of Indian consumers, and to explore facilitators and inhibitors for purchase of green products in India.

### 5.1.1 Green Business Practices

Organisations' production processes and consumers' consumption behaviour have undergone tremendous change in the last few decades. Green business practices are the need of hour. Green practices, in simple words, are practices that are environment-friendly. In today's world, economics and environment have intertwined. Various reasons have accentuated the need for following green practices by the companies. Foremost reason for companies' move towards going green is response to consumers' demand for eco-friendly products. Consumers' consciousness for environment has risen due to higher disposable incomes, climate change, and health awareness. Government pressurises companies through various rules and regulations such as making corporate social responsibility (CSR) compulsory for certain types of companies. Government offers incentives like tax subsidies and other rebates. Adopting green practices has also become a competitive tool as green companies have better public perception.

Google is a leading green company worldwide. It has green offices, green data centres, green investments and encourages green eating and green commuting. Dell, a well-known computer manufacturer company, has built an environment-friendly supply chain. An environmental risk assessment tool is used to monitor the environmental impact of different activities in supply chain. The company also focuses on recycling and disposal of its products to reduce e-waste. L'Oreal was ranked as top sustainable company in the world by Newsweek and Corporate Knights green rating in 2018. The company has transformed itself by emphasising on reducing carbon emissions, deforestation, and using environmentally friendly raw materials. Honda is reducing carbon emissions by using efficient energy sources and mechanisms. Its prominent environmental project is 'triple zero approach' which aims to lower adverse impact to zero in three areas—carbon dioxide emissions, energy risk, and resource and disposal risk.

Keeping up with the changing times, many Indian companies have also become pro-environmental. Oil and Natural Gas Corporation (ONGC) has adopted various green practices over time. ONGC has focused on constructing green buildings in compliance with Green Rating for Integrated Habitat Assessment (GRIHA). It has also set up energy-efficient green crematorium to save wood. Bharat Petroleum Corporation Limited (BPCL) has integrated sustainability as part of its activities. It has been conducting carbon footprint analysis of various operations. It has started to explore renewable sources of energy. Tata Motors is working towards developing fuel-efficient engines and emission-free transportation. Tata Motors relies greatly on local procurement and conducts sustainability assessment of its suppliers.

Tata Consultancy Services (TCS) has reduced its carbon footprint by about 50 per cent through focus on green infrastructure and green information technology. ITC has pioneered green practices by starting from scratch by taking small initiatives such as introducing Paperkraft (green paper) to building chains of green hotels. ITC has successfully integrated green practices and corporate social responsibility with activities such as afforestation programme, watershed development, promoting sustainable agriculture practices, and solid waste management. State Bank of India (SBI) has introduced green banking practices way back in 2007. It has encouraged paperless banking. SBI has also invested in energy-efficient sources, water harvesting and supports afforestation and construction of wind farms. LG implements its green product development strategies by replacing hazardous raw materials, manufacturing energy-efficient electronics, reducing resources usage, reducing carbon dioxide emissions, and recycling products. Wipro is leading the green IT revolution in India. Eco-eye is one of the major initiatives by Wipro on its way to being green. The key dimensions are increasing operational efficiency, value chain engagement for promoting eco-friendly practices at every step, and transparency in disclosures. Wipro has its greenware range of desktops manufactured using alternative materials. It can be concluded that companies around the world are transforming to gain competitive advantage by adopting green business practices in their operations.



In the next part of the chapter, an extensive review of literature is done followed by research methodology, findings, discussion, and implications of the study.

## 5.2 Literature Review

The extant literature on green product and green purchase behaviour has been reviewed. The term green product has different meanings and interpretations according to product and service categories. For instance, an organic product is defined as a product made from natural materials which are obtained from herbs, plants, flowers in environment-friendly situations. Energy-efficient products are the ones using less energy to perform the same task. So, it is very difficult to explain green product with a single definition. Peattie (1995) defined that a product is green “when its environmental and societal performance, in production, use and disposal, is significantly improved and improving in comparison to conventional or competitive products offerings”. Ottman et al. (2006) emphasised that green products are “those that strive to protect or enhance the natural environment by conserving energy and/or resources and reducing or eliminating use of toxic agents, pollution, and waste”. There is lack of complete unanimity about what a green product is and how it should be defined. Thus, a better way to define green product is to compare its impact on the environment as compared to other products which are non-green. In simpler words, green product can be defined as a product which does not harm the environment and all processes related to it starting from procurement of resources to its disposal/recycling have less adverse impact on environment. Green products are becoming crucial for businesses all over the world.

Green purchase behaviour (GPB) or environmentally responsible behaviour is a trending topic for the researchers in the last decade. There are numerous studies that have focused on understanding the buying behaviour of consumer for green or sustainable products (Catlin & Wang, 2013; Haws et al., 2014; Laheri, 2020; Leonidou et al., 2013; Pelozo et al., 2013). An exploration of the literature suggested that GPB as concept has been developed over a period of time. The studies related to

responsible consumption by Fisk (1974) and ecologically concerned consumer by Kardash (1976) are some prominent preliminary studies on GPB.

The word GPB has been used by many researchers with different names such as pro-environmental behaviour (Welsch & Kuhling, 2009); environmentally friendly consumption (Gupta & Ogden, 2009); pro-ecological consumption (Fraj & Martinez, 2006); and socially responsible consumption (Antil, 1984). GPB does not convey consistent meaning, and it is difficult to summarise all meanings in a single definition. In this chapter, GPB has been defined as behaviour that consumers display as a result of their concern for the environment and are not only motivated to satisfy their own individual needs but for the welfare of society as a whole.

Tilikidou (2007) presented an examination of pro-environmental buying behaviour and how it was influenced by demographics, environmental knowledge, and attitudes. It was revealed that concern for the water in future, conservation of energy, and avoidance of genetically modified organisms' food products were the most adopted behaviour by the people.

Ishaswini and Dutta (2011) in their study aimed to determine the pro-environmental concern, their knowledge of environmental issues, and level of awareness of consumers for green products. The results indicated that pro-environmental concern of consumers was significantly affecting their buying behaviour for green products. They are willing to buy green products but its higher price is impeding them to buy. Paul and Rana (2012) focused on the factors relating to the adoption of green products for environment sustainability. It was found that the customer prefers necessity first while buying any product. Next are the quality and the price factors and followed by environmental concern. Thus, consumer often lay priority on economic concern over the environmental concern. According to the study of Shafie and Rennie (2009), the fundamental objective of the study was to investigate consumer perception towards organic food. The results of the study reported that the premium price of organic foods impedes consumers to make purchase decisions. Young et al. (2010) have focused their study on understanding "attitude behavior gap", that is consumers report that they are very concerned about the environmental issues, but they are struggling to translate this into

purchases. Faiers et al. (2007) focused their study on understanding the consumers' attitude towards solar power and investigate the barriers towards its adoption. A group of 'early adopters', and a group of assumed 'early majority' adopters of solar power were administered, and the results showed that 'early majority' showed a positive perception of the environmental features of solar power.

Royne et al. (2011) examined the factors influencing respondents' willingness to pay premium price for environmentally safe products. The results showed that willingness to pay premium price varies across demographic groups. The study revealed that respondents who perceive the concern for waste as an extremely important resources are more likely to pay a higher price for green products or eco-friendly products. Nath et al. (2014) focused on identifying the various impediments to the purchase of green products and examine the influence of those barriers in decision making for the purchase of green products. The identified barriers were low willingness to pay, lack of credibility in promotion, low environmental awareness, low literacy rate, low availability, lack of support service, lack of incentives low functional performance, lack of trust, and difficulty of integration. Kheiry and Nakhaei (2012) investigated the influence of environmental beliefs, eco-literacy, and demographic variables (age, gender, and education) towards purchase decisions for green products. The results of the study suggested that consumers' environmental beliefs influence their decisions to buy green products. Eco-literacy and demographic variables do not significantly influence consumers' environmental purchase decision.

### 5.3 Research Methodology

This section of the chapter has been sub-divided into research design, research instrument, sampling, area of the study, and data collection method. Two-way research design is applied where exploratory research design at the first stage and descriptive research design at the second stage was employed. Structured questionnaire was used to collect the data from 506 Indian consumers from Delhi/NCR area. The scale of the constructs was modified from the standard scales (Table 5.1).

**Table 5.1** Measures of the constructs

Constructs	Scale (modified)
Attitude for green products	Sharma and Gadenne (2014)
Subjective norms for green products	Chen and Tung (2014)
Perceived behavioural control for green products	Sparks and Shepherd (1992)
Purchase intention for green products	Bolton and Drew (1991)
Purchase behaviour for green products	Schlegelmilch et al. (1996)

Source: Author

The individual consumers were considered as the sampling unit of the study. A cluster sampling technique was administered to collect the data from individual consumers. Three green products categories were taken for the present study that is organic food products, organic personal-care products, and energy-efficient products. These categories of green products were decided based on personal interviews from 50 respondents in Delhi-NCR region. It was found that the majority of consumers were buying or expressed their preferences to buy organic foods, organic personal-care products, and energy-efficient products.

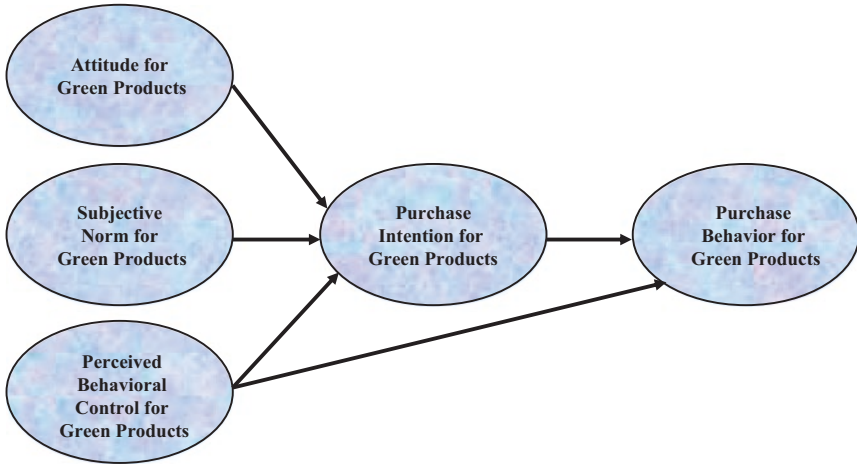
### 5.3.1 Theory of Planned Behavior Model: Hypothesised Model of the Study

It was found in the literature that concern for the environment is dependent on some key dimensions of a person which are attitude, intention, and behaviour (Minton & Rose, 2015). Based on the review of literature it was found that the Theory of Planned Behavior (TPB) model of Ajzen (1991) proved able to predict the attitude as the best predictor of the intention of people. This theory also postulates that the behaviour of an individual is dependent on his/her intention to behave (Armitage & Christain, 2003; Arvola et al., 2007; Birgelen et al., 2009; Chan & Bishop, 2013; Kumar, 2012; Mahon et al., 2005; Zagata, 2012).

The key variables of TPB model are attitude, subjective norms, perceived behavioural control, purchase intention, and purchase behaviour.

The hypothesised model is presented in Fig. 5.1.

Based on the assumptions of the model, the following hypotheses were formulated:



**Fig. 5.1** Hypothesised model of consumer buying behaviour for green products. (Source: Adapted from Ajzen, 1991)

H<sub>0</sub>1: Attitude of consumer towards green products is positively related to their purchase intention.

H<sub>0</sub>2: Subjective norm of consumer towards green products is positively related to their purchase intention.

H<sub>0</sub>3: Perceived behavioural control of consumer towards green products is positively related to their purchase intention.

H<sub>0</sub>4: Purchase intention of consumer towards green products is positively related to their purchase behaviour.

H<sub>0</sub>5: Perceived behavioural control of consumer towards green products is positively related to their purchase behaviour.

## 5.4 Findings and Discussions

This section of the chapter is divided into the profiling of green consumers, discussions on the findings of consumer buying behaviour for green products using TPB model; and identified facilitators and barriers for purchase of green products. The demographic profile of green consumers showed that majority of the respondents were females (64.6 per cent) as

compared to male respondents (35.4 per cent). This could be because majorly female of the household are involved in decision making for the organic food and organic cosmetic products for their family. As far as age groups of consumers are concerned, most of the respondents were of the age group 25–40 years (58.3 per cent). It was found that (2.6 per cent) of the respondents were of the age group of above 55 years old. The reason for the low participation of elderly (above 55 years) could be low involvement in the purchase decisions of green products. The collected data for the research showed that majority of the respondents have high monthly family earnings of above Rs 65,000 (41.3 per cent) and (14.6 per cent) of the respondents have monthly family income below Rs 25,000. One of the reasons the present research targeted higher income group respondents is their affordability of buying the green products which are priced higher as compared to non-green products.

### 5.4.1 Green Purchase Behaviour

Structural Equation Modeling (SEM) analysis was employed to understand the green consumer behaviour using TPB model of Ajzen (1991). Reliability and validity of the constructs was established. The Cronbach's alpha method is a popular method to assess the reliability of the scale. In the study, the Cronbach's alpha coefficients for five constructs were above the threshold value of 0.70 (Nunnally, 1978). Average Variance Extract (AVE) for each construct was greater than its respective Maximum Shared Variance (MSV) and hence validity was established.

After the reliability and validity of the proposed model have been established, the goodness-of-fit index (GFI) statistics of measurement model was evaluated using IBM SPSS AMOS 21.0 (Fig. 5.2).

Chi-square goodness of fit, goodness-of-fit index (GFI), root mean square error of approximation (RMSEA), adjusted goodness-of-fit index (AGFI), root mean square residual (RMR), comparative fit index (CFI), and probability (P) close parameters were used to test the measurement model.

Table 5.2 represents the indices for the model fit summary of measurement model:

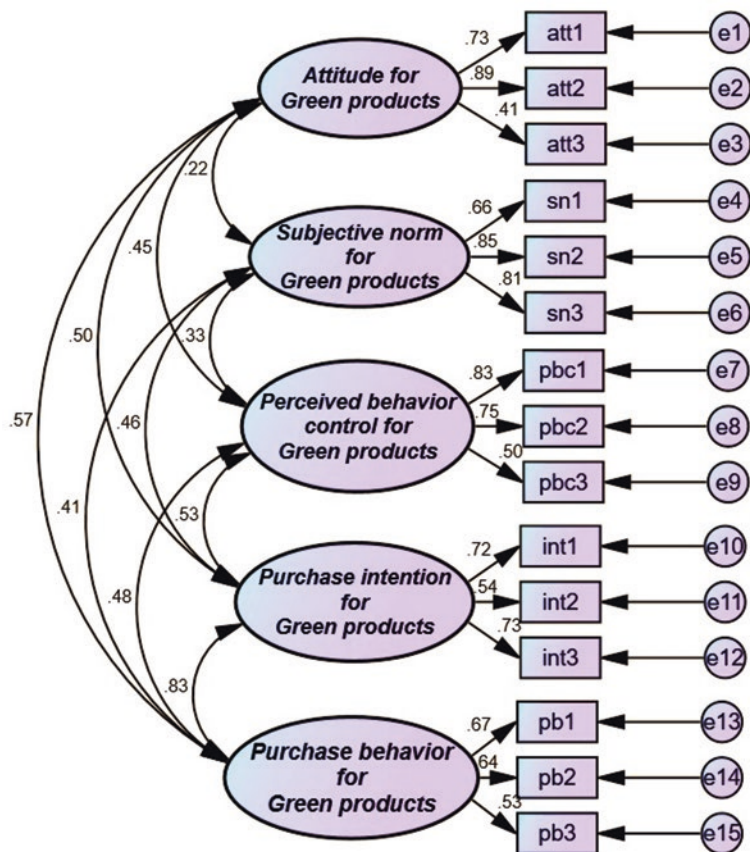


Fig. 5.2 Measurement model. (Source: Primary data)

Table 5.2 Fit statistics of the measurement model

S. no	Fit statistics	Threshold values	Hypothesised model
1.	Chi-square (CMIN/DF)	Less than 3	1.955
2.	RMSEA	Less than 0.05	0.048
3.	GFI, AGFI	Greater than 0.90	0.954, 0.930
4.	RMR	Less than 0.05	0.044
5.	CFI	Greater than 0.90	0.960
6.	P close	Greater than 0.50	0.582

Source: Primary data

It can be concluded that the hypothesised five constructs model fits the sample data very well. In the structural model shown in Fig. 5.3, there are five latent variables, that is attitude for green products, subjective norm for green products, perceived behavioural control for green products, purchase intention for green products, and purchase behaviour for green products. The model was empirically tested using responses from the collected data.

The review of the structural path model revealed that attitude, subjective norm, and perceived behavioural control of consumers positively influenced their purchase behaviour for the green products. Similarly, the purchase intention of the consumer also positively influenced the behaviour of the consumer to purchase green products. It can be concluded from the structural model that buying behaviour of consumers is not influenced by their perceived behavioural control for green products. In Table 5.3, the parameter estimated values, that is regression weights, standard errors, critical ratios of the structural model, are presented.

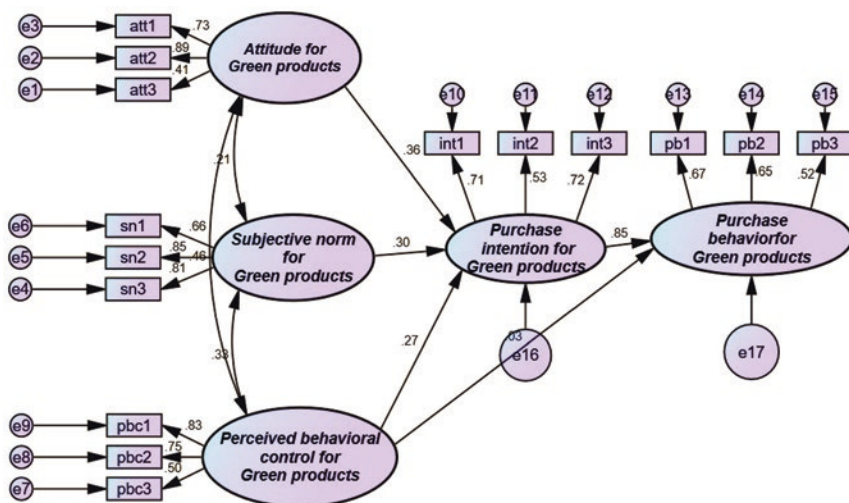


Fig. 5.3 Structural model. (Source: Primary data)



Table 5.3 Parameter estimates for the structural model

Path	Unstandardised regression weights	Standardised regression weights	S.E.	C.R.	P
Purchase intention ← Attitude	0.952	0.360	0.201	2.481	***
Purchase intention ← Subjective norm	0.263	0.302	0.051	2.083	***
Purchase intention ← Perceived behavioural control	0.395	0.271	0.106	2.269	***
Purchase behaviour ← Purchase intention	0.788	0.845	0.095	2.878	***
Purchase behaviour ← Perceived behavioural control	0.043	0.032	0.104	0.414	0.679
Attitude 1 ← Attitude	1.000	0.405	0.331	11.286	***
Attitude 2 ← Attitude	3.205	0.893	0.432	7.423	***
Attitude 3 ← Attitude	2.404	0.731	0.319	7.535	***
Subjective norm 1 ← Subjective norm	1.000	0.814	0.046	8.552	***
Subjective norm 2 ← Subjective norm	1.033	0.850	0.068	15.194	***
Subjective norm 3 ← Subjective norm	0.937	0.662	0.072	13.038	***
Perceived behavioural control 1 ← Perceived behavioural control	1.000	0.500	0.045	5.947	***
Perceived behavioural control 2 ← Perceived behavioural control	1.443	0.752	0.161	8.960	***
Perceived behavioural control 3 ← Perceived behavioural control	1.708	0.827	0.190	8.845	***
Purchase intention 1 ← Purchase intention	1.000	0.707	0.053	8.669	***
Purchase intention 2 ← Purchase intention	0.768	0.535	0.082	9.337	***
Purchase intention 3 ← Purchase intention	1.010	0.724	0.084	10.339	***
Purchase behaviour 1 ← Purchase behaviour	1.000	0.666	0.063	10.773	***
Purchase behaviour 2 ← Purchase behaviour	1.069	0.651	0.107	9.952	***
Purchase behaviour 3 ← Purchase behaviour	0.702	0.520	0.084	11.425	***

\*Significant at 0.05., S.E. stands for Standard Error, C.R. stands for Critical Ratio

Source: Primary data

**Table 5.4** Testing of hypotheses: Structural model

S. no	Hypotheses	Supported/not supported
H <sub>0</sub> 1	Attitude of consumer towards green products is positively related to their purchase intention.	Supported
H <sub>0</sub> 2	Subjective norm of consumer towards green products is positively related to their purchase intention.	Supported
H <sub>0</sub> 3	Perceived behavioural control of consumer towards green products is positively related to their purchase intention.	Supported
H <sub>0</sub> 4	Purchase intention of consumer towards green products is positively related to their purchase behaviour.	Supported
H <sub>0</sub> 5	Perceived behavioural control of consumer towards green products is positively related to their purchase behaviour.	Not supported

Source: Primary data

**Table 5.5** Fit statistics of the structural model

S. no	Fit statistics	Threshold values	Hypothesised model
1.	Chi-square (CMIN/DF)	Less than 3	1.993
2.	RMSEA	Less than 0.05	0.049
3.	GFI, AGFI	Greater than 0.90	0.952, 0.929
4.	RMR	Less than 0.05	0.045
5.	CFI	Greater than 0.90	0.957
6	P close	Greater than 0.50	0.527

Source: Primary data

The results of the hypothesised model are presented in Table 5.4.

The process of establishing the structural model's validity follows the general guidelines adopted for the measurement model through the parameters such as CMIN/DF, RMR, GFI, RMSEA, and P close values which are given in Table 5.5:

The indices of the model fit also provided a reasonable model fit for the structural model. GFI obtained is 0.952, AGFI is 0.929. The CFI, RMSEA, RMR, and P close values were 0.957, 0.049, 0.045, and 0.527 respectively. Based on the fit indices, it can be concluded that the proposed model of the study fits the data fairly.

### 5.4.2 Facilitators and Inhibitors for Purchase of Green Products

The findings of the study suggest that purchase intention positively influences purchase behaviour for green products. However, based on the theoretical review, it has been generally identified that there is intention-behaviour gap with respect to purchasing of green products in emerging economies (Nguyen et al., 2015; Nguyen & Nguyen, 2017; Wu & Chen, 2014). The literature establishes that consumers have exhibited positive intention towards the purchase of green products, but these positive intentions have not been translated into positive green purchase behaviour (Hans et al., 2016; Nguyen & Nguyen, 2017; Peattie, 2010). So, facilitators and inhibitors for the purchase of green products have been investigated to explore the reasons for above discussed intention-behaviour gaps.

To deriving practical and useful benefits from this study, it was necessary to categorise the green products. Three categories of green products were taken into consideration that is organic food products, organic personal-care products, and energy-efficient products.

Data from 506 Indian consumers have been taken for analysis. A five-point Likert scale from “not at all important (1)” to “extremely important (5)” was used to collect the data to examine the facilitators for purchase of different categories of green products. Similarly, “definitely no (1)” to “definitely yes (5)” was used to investigate the inhibitors for selected green products categories.

The facilitators for organic food products, organic personal-care products, and energy-efficient products were ranked so as to investigate the factors that enable consumers to buy green products. The variables of facilitators were ranked based on their mean score, and the results are given in Table 5.6:

It is very crucial to understand what factor pushes consumers to buy a particular type of product category. Table 5.6 showed that ‘health’ is the key factor that drives consumers to buy organic food products followed by ‘nutritional’ and ‘no use of harmful pesticides’. Thus, consumers buy organic food products primarily because such products are considered

**Table 5.6** Ranking of facilitators for purchase of the green products

S. no.	Facilitators	Mean value	Ranking
<i>Organic food products</i>			
1	Good for health	4.61	1
2	Higher on nutrition	4.55	2
3	No use of harmful pesticides	4.39	3
4	Better taste and true flavour	4.30	4
5	Certified by regulatory body	4.14	5
<i>Organic personal-care products</i>			
1	Safer on skin	4.55	1
2	Superior quality of ingredients used	4.45	2
3	Chemical-free	4.40	3
4	Environment-friendly	4.28	4
5	Use of recycled material for packaging	4.16	5
<i>Energy-efficient products</i>			
1	Saving of scarce resources (energy)	4.41	1
2	Less electricity consumption	4.38	2
3	Economical in long-term use	4.27	3
4	Energy star certification	4.26	4
5	Certified by regulatory body	4.25	5

Source: Primary data

good for health. While ranking the facilitators for the purchase of the organic personal-care products, it was found that 'safer on skin', 'superior quality of ingredient used', and 'chemical-free' were the top three parameters considered by the consumers while deciding to purchase the organic personal-care products. For energy-efficient products, prime facilitators are 'saving of scarce resources', 'less electricity consumption', and 'economical in long-term use'.

Similarly, the barriers for the purchase of selected green product categories were ranked so as to investigate the factors that inhibit consumer from buying the green products. The variables have been ranked based on their mean score obtained, and the results are presented in Table 5.7.

Thus, 'lack of well-known brands', 'lower product variety', and 'lower promotional activities' were the main factors that inhibited consumers to buy organic food products. The analysis of the data revealed that

**Table 5.7** Ranking of barriers for purchase of the green products

S. no.	Barriers	Mean value	Ranking
<i>Organic food products</i>			
1	Lack of well-known brands	4.08	1
2	Lower availability	3.99	2
3	Lower promotional activities	3.96	3
4	Difficulty in identifying	3.93	4
5	Higher price	3.88	5
<i>Organic personal-care products</i>			
1	Lack of well-known brands	4.02	1
2	Lower availability	4.00	2
3	Higher price	3.98	3
4	Difficulty in identifying	3.97	4
5	Resistance to change from traditional personal-care products	3.84	5
<i>Energy-efficient products</i>			
1	Higher price	3.91	1
2	Lesser variety of products	3.67	2
3	Lack of promotional activities	3.66	3
4	Lack of well-known brands	3.63	4
5	Lesser knowledge about green electronics	3.62	5

Source: Primary data

consumers were facing difficulty in identifying organic food products in the store because of their lower awareness level for such products, and poor communication from the marketers. For organic personal-care products, it was found that 'lack of well-known brands', 'lower availability', and 'higher price' were the top three barriers inhibiting the consumers. It was reported that 'resistance to change from traditional personal-care products' impede consumers to purchase the organic personal-care products. The analysis of collected data revealed that 'higher price', 'lack of certification of products', 'lack of promotional activities', 'lack of well-known brands', and 'lesser knowledge about green electronics' were considered as the prime barriers by the respondents for the purchase of the energy-efficient products.

## 5.5 Implications for Managers in Emerging Markets

This chapter has theoretical and practical implications for marketers. It is important for a marketer to explore the factors used by the consumers while deciding to purchase the selected green product categories. The study reported that 'health' and 'nutrition' are the prime reasons for consumers are willing to buy organic food products. However, 'lack of well-known brands' and 'lower availability' are the factors which are restraining consumers to buy these products. Hence, a marketer of organic food products may focus on these areas while developing communication strategies to target consumers. The findings unveiled that 'skin-friendly' and 'superior quality of ingredients' are the factors facilitating and 'lower availability' and 'higher price' are the factors inhibiting consumers from buying organic personal-care products. Thus, a marketer can stress on these elements to attract new customers and to frame key marketing policies for better market coverage. Lastly, it was found that 'saving of scarce resources' and 'less electricity consumption' are the enabling consumers whereas 'premium price' and 'lesser variety of products' are the factors impeding them to buy energy-efficient products. While formulating the segmentation, targeting, positioning (STP) strategies, the marketers of energy-efficient products can focus on the above key points for the successful implementation of the marketing strategies. It is suggested to the marketers to highlight the environmental attributes of using the green products to the consumers to enhance their knowledge about how green products are beneficial to the environment. A marketer can use environment-related information in the packaging of green products so as to educate the consumers or enhance their level of concern for the environment.

This study makes a pivotal contribution to the literature of consumer buying behaviour for green products in the Indian context. Firstly, examining the attitude and intention of green consumers using TPB model for multiple green product categories that is organic food products, organic personal-care products, energy-efficient products was non-existence in Indian literature. Secondly, to bridge the intention-behaviour gap for the

purchase of green products, the present study contributed to the role of facilitators and barriers, which can be useful for marketers in designing effective strategies for green products. Thirdly, the study presented the green product market and green practices being adopted by top companies operating in India. This may provide insights to the marketers as how to go green.

## 5.6 Conclusions

Green product management can be understood as bridging the gap between manufacturers and consumers of green product. The present chapter has comprehensively covered various conceptual and practical aspects of green product management. This study in the context of India is contemporary as environmental deterioration is increasing day by day and emerging economies like India are becoming global centre of economic growth.

It can be concluded from the findings that hypothesised model of consumer buying behaviour for green products fits the data well. The results indicated that the attitude was the most important determinant of the purchase intention for the green products. This finding is consistent with the results obtained on the similar relationship in the study by Ramayah et al. (2010). It was found that the subjective norm also influenced the intention of consumers for the purchase of green products. The studies such as the research on sustainable food (Vermeir & Verbeke, 2008), research on organic food (Chen, 2007) indicated a relationship between subjective norm and a consumer's intention to engage in that behaviour which was significant. The third dimension of the model, that is perceived behaviour control, was also found to have a significant relation with the purchase intention for the green products. The findings were consistent with the results obtained from earlier studies on pro-environmental behaviour (Straughan & Roberts, 1999) and (Webster, 1975). The findings from the present model highlighted that the fourth antecedent, that is intention of consumers, significantly influenced the buying behaviour of consumers towards green products. Past researchers who studied the buying behaviour for organic food have found a significant

relationship between purchase intention and purchase behaviour (Saba & Messina, 2003). The adequacy of this model was consistent with finding by researchers like Vermeir and Verbeke (2008), Birgelen et al. (2009).

The results of the research reported that for organic food products, 'health' and 'nutritional' factors are driving consumers to make purchase decisions whereas 'lack of well-known brands' and 'lower availability' are impeding consumers for not buying it. It was revealed from the data analysis that for organic personal-care product, 'skin-friendly' and 'environment-friendly' factors are encouraging consumers to buy these products. However, 'ineffective communication strategies' by the marketer of organic personal-care product and 'fear of using unknown' factors are inhibiting consumers from switching to this product category. Lastly, it was reported that 'economic-benefit' factor facilitated consumers to buy the energy-efficient products, whereas 'premium price' factor inhibiting consumers from buying these products.

Emerging economies are flourishing ground for green products. Management of green products can be successful only if the behaviour of green consumers is unearthed. Consumers from different economies exhibit different behaviour owing to variations in social and economic situations.

## References

- Ajzen, I. (1991). The Theory of Planned Behavior. *Organisational Behavior and Human Decision Processes*, 50(2), 179–211.
- Antil, J. H. (1984). Socially Responsible Consumers: Profile and Implications for Public Policy. *Journal of Macromarketing*, 4(2), 18–39.
- Armitage, J., & Christain, J. (2003). From Attitude to Behavior: Basic and Applied Research on the Theory of Planned Behavior. *Current Psychology*, 22(3), 187–195.
- Arvola, A., Vassallo, M., Dean, M., Lampila, P., Saba, A., Lahteenmaki, L., & Shepherd, R. (2007). Predicting Intentions to Purchase Organic Food: The Role of Affective and Moral Attitudes in the Theory of Planned Behaviour. *Appetite*, 50(2–3), 443–454.



- Birgelen, M., Semeijn, J., & Keicher, M. (2009). Packaging and Pro-environmental Consumption Behavior: Investigating Purchase and Disposal Decisions for Beverages. *Environment and Behavior*, 41(1), 125–146.
- Bolton, R., & Drew, J. (1991). A Multistage Model of Customers' Assessments of Service Quality and Value. *Journal of Consumer Research*, 17(4), 375–384.
- Catlin, J. R., & Wang, Y. (2013). Recycling Gone Bad: When the Option to Recycle Increases Resource Consumption. *Journal of Consumer Psychology*, 23(1), 122–127.
- Chan, L., & Bishop, B. (2013). A Moral Basis for Recycling: Extending the Theory of Planned Behavior. *Journal of Environmental Psychology*, 36, 96–102.
- Chen, M. (2007). Consumer Attitudes and Purchase Intentions in Relation to Organic Foods in Taiwan: Moderating Effects of Food-Related Personality Traits. *Food Quality and Preference*, 18(7), 1008–1021.
- Chen, M., & Tung, P. (2014). Developing an Extended Theory of Planned Behavior Model to Predict Consumers' Intention to Visit Green Hotels. *International Journal of Hospitality Management*, 36, 221–230.
- DuPont. (2014). *Consumer Awareness and Buying of Green Products in India*. DuPont.
- European Commission. (2017). *Sustainable Development*. Environment.
- Faiers, A., Cook, M., & Neame, C. (2007). Towards a Contemporary Approach for Understanding Consumer Behaviour in the Context of Domestic Energy Use. *Energy Policy*, 35(8), 4381–4390.
- Fisk, G. (1974). *Marketing and the Ecological Crisis*. Harper & Row.
- Fraj, E., & Martinez, E. (2006). Influence of Personality on Ecological Consumer Behavior. *Journal of Consumer Behavior*, 5(3), 167–181.
- Geographic, N., & Globescan. (2014). *Greendex 2014: Consumer Choice and the Environment – A Worldwide Tracking Survey*. Globescan.
- Gupta, S., & Ogden, D. T. (2009). To Buy Or Not to Buy? A Social Dilemma Perspective on Green Buying. *Journal of Consumer Marketing*, 26(6), 376–391.
- Hans, D., Bohm, G., Doran, R., & Homburg, A. (2016). Sustainable Consumption of Groceries: The Importance of Believing That One Can Contribute to Sustainable Development. *Sustainable Development*, 24(6), 357–370.
- Haws, K. L., Winterich, K. P., & Naylor, R. W. (2014). Seeing the World Through Green-Tinted Glasses: Green Consumption Values and Responses to Environmentally Friendly Products. *Journal of Consumer Psychology*, 24(3), 336–354.

- Ishaswini, K., & Dutta, S. (2011). Pro-environmental Concern Influencing Green Buying: A Study on Indian Consumers. *International Journal of Business and Management*, 6(6), 124–133.
- Kardash, W. J. (1976). *Corporate Responsibility and the Quality of Life: Developing the Ecologically Concerned Consumer*. Ecological Marketing. American Marketing Association.
- Kheiry, B., & Nakhaei, A. (2012). Consumers' Green Purchase Decision: An Examination of Environmental Beliefs, Environmental Literacy and Demographics. *International Journal of Marketing and Technology*, 2(9), 171–183.
- Kumar, B. (2012). *Theory of Planned Behaviour Approach to Understand the Purchasing Behaviour for Environmentally Sustainable Products*. Indian Institute of Management, Ahmedabad IIM-A Research and Publication.
- Laheri, V. (2020). Moderating Effect of Facilitators and Barriers for Purchase of Green Products in India. *Indian Journal of Marketing*, 50(3), 7–21.
- Leonidou, C. N., Katsikeas, C. S., & Morgan, N. A. (2013). Greening the Marketing Mix: Do Firms Do It and Does It Pay Off? *Journal of the Academy of Marketing Science*, 41(2), 151–170.
- Mahon, D., Cowan, C., & McCarthy, M. (2005). The Role of Attitude, Subjective Norm, Perceived Control and Habit in the Consumption of Ready Meals and Takeaways in Great Britain. *Food Quality and Preference*, 17(6), 474–481.
- Minton, A., & Rose, R. (2015). The Effects of Environmental Concern on Environmentally Friendly Consumer Behavior: An Exploratory Study. *Journal of Business Research*, 40(1), 37–48.
- Nath, V., Kumar, R., Agrawal, R., Gautam, A., & Sharma, V. (2014). Impediments to Adoption of Green Products: An ISM Analysis. *Journal of Promotion Management*, 20(5), 501–520.
- Newsweek and Corporate Knights. (2018). *Green Ranking: Global 500*. Newsweek.
- Nguyen, T. V., Le, C. Q., Tran, B. T., & Bryant, S. E. (2015). Citizen Participation in City Governance: Experiences from Vietnam. *Public Administration and Development*, 35(1), 34–45.
- Nguyen, V. H., & Nguyen, T. T. L. (2017). Green Production and Green Consumption: International Policy Framework and Lessons Learned for Vietnam. *Economic Management Review*, 83, 33–41.
- Nunnally, J. (1978). *Psychometric Theory* (2nd ed.). McGraw-Hill Book Company.

- Ottman, J., Stafford, E., & Hartman, C. (2006). Avoiding Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products. *Environment: Science and Policy for Sustainable Development*, 48(5), 22–36.
- Paul, J., & Rana, J. (2012). Consumer Behavior and Purchase Intention for Organic Food. *Journal of Consumer Marketing*, 29(6), 412–422.
- Peattie, K. (1995). *Environmental Marketing Management: Meeting the Green Challenge*. Pitman Publishing.
- Peattie, K. (2010). Green Consumption: Behavior and Norms. *Annual Review of Environment and Resources*, 35(1), 195–228.
- Pelozo, J., White, K., & Shang, J. (2013). Good and Guilt-Free: The Role of Self-accountability in Influencing Preferences for Products with Ethical Attributes. *Journal of Marketing*, 77(1), 104–119.
- Ramayah, T., Lee, J., & Mohamad, O. (2010). Green Product Purchase Intention: Some Insights from a Developing Country. *Resource Conservation and Recycling*, 54(12), 1419–1427.
- Research and Market Report. (2017). Indian Skin Care Market Outlook 2020. Ireland.
- Royne, M., Levy, M., & Martinez, J. (2011). The Public Health Implications of Consumers' Environmental Concern and Their Willingness to Pay for an Eco-Friendly Product. *The Journal of Consumer Affairs*, 45(2), 329–343.
- Saba, A., & Messina, F. (2003). Attitudes Towards Organic Foods and Risk/Benefit Perception Associated with Pesticides. *Food Quality and Preference*, 14, 637–645.
- Schlegelmilch, B., Bohlen, G., & Diamantopoulos, A. (1996). The Link Between Green Purchasing Decisions and Measures of Environmental Consciousness. *European Journal of Marketing*, 30(5), 35–55.
- Shafie, F., & Rennie, D. (2009). Consumer Perception Towards Organic Products. *Social and Behavioural Sciences*, 49, 360–367.
- Sharma, B., & Gadenne, D. (2014). Consumers' Attitudes, Green Practices, Demographic and Social Influences, and Government Policies: An Empirical Investigation of Their Relationships. *The Journal of New Business Ideas & Trend*, 12(2), 22–36.
- Sparks, P., & Shepherd, R. (1992). Self-Identity and the Theory of Planned Behavior: Assessing the Role of Identification with Green Consumerism. *Social Psychology Quarterly*, 55(4), 388–399.

- Straughan, R. D., & Roberts, J. (1999). Environmental Segmentation Alternatives: A Look at Green Consumer Behavior in the New Millennium. *Journal of Consumer Marketing*, 16(6), 558–575.
- Tilikidou, I. (2007). The Effects of Knowledge and Attitudes Upon Greeks' Pro-environmental Purchasing Behaviour. *Corporate Social Responsibility and Environmental Management*, 14(3), 121–134.
- Vermeir, I., & Verbeke, W. (2008). Sustainable Food Consumption Among Young Adults in Belgium: Theory of Planned Behaviour and the Role of Confidence and Values. *Ecological Economics*, 64, 542–553.
- Webster, F. J. (1975). Determining the Characteristics of the Socially Conscious Consumer. *Journal of Consumer Research*, 2(3), 188–196.
- Welsch, H., & Kuhling, J. (2009). Determinants of Pro-environmental Consumption: The Role of Reference Groups and Routine Behavior. *Ecological Economics*, 69(1), 166–176.
- Wu, S. I., & Chen, J. Y. (2014). A Model of Green Consumption Behavior Constructed by the Theory of Planned Behavior. *International Journal of Marketing Studies*, 6(5), 119–132.
- Young, W., Hwang, K., McDonald, S., & Oates, J. (2010). Sustainable Consumption: Green Consumer Behaviour When Purchasing Products. *Sustainable Development*, 18(1), 20–31.
- Zagata, L. (2012). Consumers' Beliefs and Behavioural Intentions Towards Organic Food: Evidence from the Czech Republic. *Appetite*, 59(1), 81–89.



# 6

## Green Integrated Marketing Communication

Kojo Kakra Twum and Andrews Agya Yalley

### 6.1 Introduction

Green communication is an integral part of green marketing. The evolution of the marketing communications concept from one-way, un-integrated, and a less strategic focus to more integrated and strategic marketing communication demands that a similar approach must be adopted in green communications. A case has been made for green marketing communications requiring an integrated and strategic

---

K. K. Twum (✉)

Presbyterian University College, Abetifi, Ghana

School of Business, University of Cape Coast, Cape Coast, Ghana

e-mail: [twumkojo@presbyuniversity.edu.gh](mailto:twumkojo@presbyuniversity.edu.gh)

A. A. Yalley

Department of Marketing and Supply Chain Management,

University of Cape Coast, Cape Coast, Ghana

e-mail: [andrews.yalley@ucc.edu.gh](mailto:andrews.yalley@ucc.edu.gh)

approach (Carlson et al., 1996). Major issues of concern are the management of green communications as a process, and the development of strategic communications to gain a competitive advantage. Also, the main pillars of Integrated Marketing Communications (hereafter referred to as IMC) as proposed by Kliatchko (2005, 2008) provides a clear direction to firms seeking to adopt IMC to achieve strategic objectives. These IMC pillars are audience-focused, content-rich, channel-centred, and results-driven.

These four (4) pillars of IMC have implications for green communications. Green integrated marketing communications (hereafter, Green IMC) is referred to as a management process of integrating all green marketing communications activities across relevant audience points to achieve strategic objectives. A Green IMC, therefore, must begin with a strategy and focus on a specific target audience, creative content, use of effective channels, and results-driven (attainment of firm marketing and financial objectives). The understanding of these IMC features is crucial in promoting the use of the concept in green marketing in emerging economies. These major issues of IMC form the basis for discussions on how to formulate and implement a Green IMC. Therefore, using a semi-systematic literature review approach, which is an approach designed to review topics that have been conceptualised differently (Snyder, 2019), the chapter begins with a description of the concept of IMC. The rest of the chapter is organised using the four (4) pillars of IMC to explain Green IMC. Also, the chapter uses a case study of Hotel Verde, a green hotel in South Africa to demonstrate the usefulness of a Green IMC.

## 6.2 Integrated Marketing Communications

Almost two decades ago, Schultz (1992: 104) made a profound assertion that “truly, marketing communications will be the major weapon in the marketing arsenal in the future. We can have nothing less than integrated marketing communications programs if we are to succeed.” This declaration is more than valid today, as the concept has become an important part of marketing. The concept of IMC is situated under the marketing

communications discipline. IMC is defined as “a process which involves the management and organisation of all ‘agents’ in the analysis, planning, implementation and control of all marketing communications contacts, media, messages and promotional tools focused at selected target audiences in such a way as to derive the greatest enhancement and coherence of marketing communications effort in achieving predetermined product and corporate marketing communications objectives” (Pickton & Broderick, 2005: 26).

The increased interest in IMC is to address the challenge faced by marketers due to available options to use diverse communication options to reach customers (Keller, 2001). The interest in IMC by marketing practitioners has been heightened, and one can only conclude that the concept has come to stay and will continue to shape the way organisations communicate with their customers. The general scope of the concept has been understood by researchers and practitioners. A common understanding is that IMC is more than marketing communications, which implies the notion of using multiple marketing communication channels. However, the new understanding of IMC must reflect the new definition of the concept. In the view of Kliatchko (2005), a new definition of IMC must focus on a strategic management process of using brand communication programmes, audience-focused, channel-centred, and results-driven. Key issues that need further explanation are IMC as a process, and the strategic focus of IMC, the levels of marketing communication integration, and distinctive features of IMC.

### 6.2.1 IMC as a Process

There is a consensus by researchers and industry practitioners that marketing communication entails interrelated communication activities (Pickton & Broderick, 2005; Schüller & Rašticová, 2011). IMC is seen as a major element, which forms part of business communication processes. IMC must not only focus on the tactics and operations related to marketing communications but must also involve activities such as (a) identifying the audience to be targeted, (b) coming up with objectives of marketing communications, (c) designing effective communications, (d) selecting media channels, (e) deciding the budget, (f) deciding the

marketing communication mix, (g) measuring marketing communication results, and (h) managing and coordinating IMC campaign (Rehman & Ibrahim, 2011). These steps imply that IMC must be seen as a complex marketing activity that encompasses many distinct processes and not an easy one-off communication but also involves actions such as measuring results of the campaign. Reid (2005) calls for efforts to identify new processes and practices to ensure the effectiveness of marketing communication programmes.

### 6.2.2 IMC as a Strategy

A new perspective of IMC as a strategic management of brand communication programmes has been proposed. There has been increasing use of IMC not just to manage communications but to achieve a competitive advantage. In line with an argument put forward by Holm (2006), IMC must be viewed as a strategic issue, hence must be performed in line with strategy formulation and implementation. IMC strategy must possess the features of a strategy including having a long-term direction; the ability to gain competitive advantage; and concerned with a wider scope of organisation's activities.

### 6.2.3 Levels of Integration of Communication

Another crucial issue to understand Green IMC is to appreciate the levels of integration. This will guide firms on a series of important activities to perform to attain Green IMC status. To understand the level of integration of an organisation's marketing communications, Smith et al. (1999) explained some instances to show at what level integration is occurring. These include:

- **Vertical objectives integration**—aligning communications with green marketing objectives.
- **Horizontal/functional integration**—green communications must fit well with organisational functions such as marketing, manufacturing, human resource, operations, finance.



- **Marketing mix integration**—the green communication mix integrates all the messages found within the marketing mix. The marketing mix communications involves decisions relating to promotions, product, place, pricing, and people.
- **Communications mix integration**—green communication tools used must be focused on the customer. Satisfying the green communication needs of customers is in line with the view of Smith (2003) who states that there must be a shift from focusing on the marketing mix elements (the 4 P's) to a focus on the customer, cost, convenience, and communication (the 4 C's).
- **Creative design integration**—Green IMC can be used by organisations to create positioning. This is crucial because it has been argued that creating a positioning message is regarded as one of the most essential parts of the IMC process.

#### 6.2.4 Distinctive Attributes of Green IMC

The philosophy behind IMC is that it is generally aimed at achieving brand objectives by managing all messages in a strategic manner (Reid et al., 2005). The two main issues that have been identified as the main description of IMC are IMC as a process and IMC as a strategy as explained earlier. Citing the work of Schultz and Schultz (1998), Reid et al. (2005) provided some distinction between strategic IMC and tactical IMC. The strategic Green IMC approach will have the following features:

- i. IMC is driven by financial expectations
- ii. IMC is focused on connecting with customer and stakeholder
- iii. IMC has a consistent strategy
- iv. IMC integrates functional roles
- v. IMC is supported with adequate resource commitment

On the other hand, the tactical approach of Green IMC can be described as focusing on:

- i. IMC has a consistent communication campaign
- ii. IMC has campaign clarity
- iii. IMC has a coordinated campaign

The distinction of strategic IMC and tactical IMC is a description of how communication is integrated, which begins from a more tactical approach and ending with a strategic dimension. This is described as a continuum from lower-level integration to an absolute integration (Reid et al., 2005).

Kliatchko (2005) provided some distinctive features that serve as the main pillars of IMC. These are known as the pillars of IMC. The pillars include (1) audience-focused, (2) channel-centred, and (3) results-driven. The three (3) pillars were later revised to include content, thus leading to four (4) pillars of IMC (Kliatchko, 2008). The remaining parts of this book will focus on how these four (4) pillars dictate the formulation and implementation of Green IMC. Table 6.1 presents a summary of these distinctive features of IMC.

### 6.3 Green Integrated Marketing Communications

Green marketing communication represents the promotions aspect of the green marketing mix. Davari and Strutton (2014) explain that the green marketing mix represents the management of the marketing function in green marketing. Marketing promotions is an important component of green marketing as it involves the means to persuade and inform customers. Also, green communication is the means firms build a relationship with customers based on the firm's green attributes. Green marketing communications aims to improve customer understanding and the adoption of green behaviour. Smith and Brower (2012) expressed a concern that firms are faced with a challenge of communicating to their target audience that their business operations and products are sustainable. Also, there is a possibility that many consumers are not aware of the companies that have environmentally friendly products. For customers who are exposed to green communications, some may be sceptical about

**Table 6.1** The four pillars of IMC

Pillars of IMC	Description
Audience-focused	<p>IMC is centred on relevant publics, which include both external and internal audiences. The internal audience includes employees, board members, and so on, while the external audience includes customers, consumers, prospects, governments.</p> <p>IMC lays emphasis on the customer and places them at the centre of the communication process through database building, strategy formation, message development, creative execution, media planning, and evaluation and measurement.</p>
Content	<p>IMC must entail the creation of compelling content. This explains how marketers develop values, concepts, ideas, or associations. New media forms have enabled customers to also contribute to the content.</p>
Channel-centred	<p>IMC must make use of multiple communication channels. There must be coordination and appropriate use of channels such as advertising, direct marketing, sales promotions, the internet, public relations, and any other source of information.</p> <p>IMC applies the use of traditional media and non-traditional media. An important IMC concept to consider is media neutrality, which advocates for the equal treatment of all communication channels.</p> <p>IMC budgets must be determined by marketing communications objectives rather than budget imposed by management.</p>
Results-driven	<p>IMC should be measurable and accountable for business results. The investments made into communications must be evaluated against the results using financial measurement tools. The financial measurement focuses on behavioural responses and outcomes such as income flow from customers.</p> <p>IMC is meant to contribute to the bottom line of the business. IMC evaluation and measurement are part of the IMC process which is done over time to provide a good foundation for designing future campaigns.</p>

Source: Authors (2020)

claims firms make about the green attributes of their products and organisations.

IMC could be of good use to marketers of green products. Carlson et al. (1996) promote the idea of Green IMC by arguing that green products are a good candidate for IMC due to the availability of multiple promotional tools that can be used such as advertising, and public

relations. Therefore, Green IMC, in a simple form, can be evaluated based on the use of multiple communication tools. The criterion by Carlson et al. (1996) is that Green IMC is achieved when two or more communication tools are used. However, the strategic orientation of achieving customer response was acknowledged.

A major challenge that can render green communications ineffective is consumer scepticism. do Paço and Reis (2012) paint a picture of a worrying trend, where green consumers ascribe little credence to green advertisements. do Paço and Reis (2012) state that environmentally concerned consumers, conservative behaviour of consumers, and consumers' green purchase behaviour influence the level of scepticism of green communications. The scepticism towards environmental claims is usually in the form of misleading/confusing information, untruths, and exaggerations known as "green-washing". "Green-washing" is a strategy that firms use to engage in symbolic communication on environmental matters, without substantive actions (Walker & Wan, 2012). To address this, marketers must demonstrate their real motive and also use acceptable and appropriate environmental claims. Chan (2013) advocates for the use of effective green marketing strategies to avoid "green-washing" accusations. Firms marketing green products must be transparent and be truthful in their environmental claims in green communications.

To address the challenges exposed above, there is the need to make use of marketing communications to make known the environmentally preferable products and also to ensure the environmental claims in these communications are accurate. An effective green communication, specifically through IMC, can help achieve this. Under the discussion of Green IMC, the four (4) pillars of IMC proposed by Kliatchko (2005, 2008) will form the basis for analysing what constitutes Green IMC.

### 6.3.1 Audience-Focused Green IMC

The first pillar of IMC proposed by Kliatchko (2005) is the audience-focused IMC. IMC programmes target stakeholders, who are placed at the core of the IMC process (Kliatchko, 2008). At any point in the IMC process, an organisation deals with its various publics or stakeholders

who can be external (consumers, prospects, the general public, investors, government ad Agencies) and internal (firm management, employees, board members, shareholders).

The importance of internal and external communication in green marketing is emphasised by Chamorro and Bañegil (2006). In their study, out of ten indicators of environmental culture, five (5) of them are seen to be related to communication to internal and external target audiences thus confirming the importance of IMC focused on the audience. These indicators involve:

- Awareness of environmental policy internally
- Awareness of objectives and actions internally
- Communications between departments on environmental issues
- Communication of environmental commitment to the market
- Dialogue with interest groups on environmental issues (authorities, ecologists, local community, etc.)

These indicators of green marketing communication as part of firms' overall environmental culture explain the need to have an integrated approach to green communication focused on the internal and external audience. From the five indicators by Chamorro and Bañegil (2006), the following issues are obvious:

- Internal communications aid in internal green marketing orientation (Papadas et al., 2017). Green marketing entails the communication of the environmental policy of firms internally. All employees (top managers and subordinates) must understand the firm's environmental initiatives. This falls within the internal marketing concept that emphasises the need to improve the knowledge and understanding of employees regarding firm products and policies. Some typical internal communications channels that can be used are memos, website, emails, and so on. Also, firms that seek to take advantage of environmental sustainability will set an independent department dedicated to promoting green values within the firm (Papadas et al., 2017).
- IMC could be responsible for the internal communication of objectives and actions related to green marketing. Arseculeratne and

Yazdanifard (2014) state that in an attempt to use green marketing to attain a competitive advantage, there is the need to be clear on what objectives are to be achieved. In line with IMC guidelines, green marketing objectives must be formulated and communicated to all. This also emphasises the strategic approach to green communications. Green communications must seek to achieve strategic objectives that form the basic foundation for actions and programmes.

- Improve dialogue with a multiplicity of stakeholders—IMC in green marketing must embrace the notion of serving various stakeholders with environmental claims and attributes of a firm's products. Apart from internal stakeholders, green communications focus on the needs of other actors such as government agencies, customers, the general public, and so on. Communications must be created in a way that targets and satisfies the needs and interests of these groups. However, the marketing objective attributed to green marketing demands that communication must influence purchase decisions.
- Dialogue with multiple audiences means the use of multiple communication channels. A multi-channel approach to green communications will mean the use of traditional and new media. Emails, memos, websites are good for internal stakeholders, while advertising, PR appeals to the general public. Also, new forms of green marketing communications using social media platforms such as Facebook, Twitter, YouTube, blogs, and so on can appeal to consumers with high green values and also encourage word-of-mouth.

### 6.3.2 Green IMC Content

As proposed by scholars, IMC must integrate traditional and non-traditional media. The emergence of digital and interactive communications enabled by the internet has changed the landscape in marketing communications. There is a changing media landscape from a dominant traditional media to new marketing communication channels (Kliatchko, 2008). Apart from the changing media channels, consumers are also influencing the media consumption patterns since they decide which media form they wish to receive content from. The integration of

messages and content must not be seen as the sole role of marketers but also that of customers since they evaluate the various messages they are exposed to.

In the view of Kliatchko (2008), the content may be in the form of controlled or uncontrolled. The controlled messages from marketers and communication agencies are planned and deliberate. These messages must be creative, consistent (integrated messages), and respect human dignity. In green marketing, controlled communications are on green initiatives that marketers put out to the target audience. On the other hand, uncontrolled messages are unpredictable and unplanned, such as competitor messages. A major issue of concern in green communication is understanding the role of message creation (content), which is very effective in persuading customers to make purchase decisions. Also, the emergence of digital media, which had led to the emergence of “participation media” or “citizen media” must be utilised in green communication. Therefore, the idea of customer-centricity has become the norm of IMC since customers have been empowered to take control of content creation. A typical example of the role played by customers includes the creation and sharing of text, pictures, videos, music, and many more. A new perspective of Green IMC must consider the transformations introduced by digital media and its ramifications on marketing communication. From the study of Mulhern (2009), digital media has implications on IMC in terms of its ability to lead to customer insight, data-driven planning, cross-media integration, and communication to multiple stakeholders.

### 6.3.3 Channel-Centred Green IMC

From the pillars of the IMC model of Kliatchko (2005), the effective communication of brands depends on the use of a multiplicity of communication channels. For green communications, there are many communication channels that firms use to reach their target audience. The use of green advertising, public relations, packaging, environmental labelling/ecological labelling, company website, and social media will be discussed.

### 6.3.3.1 Green Advertising

Green advertising entails advertising a product or brand using environmental claims (Hartmann & Apaolaza-Ibáñez, 2009). The use of green advertising is very popular among firms since there is a need to inform their customers about the environmental features of their products and services. These advertisements seek to market products using their environmental features and also to improve the understanding of the target audience on what the firm is doing to reduce environmental harm. Green advertising aims to create awareness about environmental issues and ways of protecting the environment. Banerjee et al. (1995) define green advertising as any television and print media advertising that meets one or more of the following criteria:

1. they explicitly or implicitly reveal and/or elevate the relationship between products and the biophysical environment
2. endorse green lifestyles, with or without highlighting a product/service
3. present, enhance, or sustain environmentally responsible corporate images

Green advertising entails an attempt to develop consumers' understanding of green products, improve their knowledge of green products, and deliver to them green product experience (Kumar, 2017). It is also a way to respond to environmental concerns by governments, consumers, and other stakeholders to send out green advertising messages that appeal to their needs. Green environmental claims explain the environmental impact of a firm's products. D'Souza and Taghian (2005) assert that advertising claims usually use terms such as "recyclable", "environmentally friendly", "ozone-safe", and "biodegradable". Some other environmental claims are "safe for the environment", and "environmentally responsible".

Despite the use of sustainable and justifiable environmental claims, there exist some false, untruthful, and misleading environmental claims, thus creating a challenge for the consumer to make informed green purchase decisions. This can also damage the reputation and effectiveness of a green advertisement. Carlson et al. (1993) state that some organisations



go to the extent of manufacturing claims about their green initiatives and calls this “green-washing” a phenomenon that makes green advertising misleading and ineffective.

Schmuck et al. (2018) state three main strategies used in green advertising:

1. Functional positioning strategy—this strategy highlights the importance of a product’s utilitarian attributes against other conventional competing products. The ability to promote the utilitarian attributes that focuses on environmental friendliness is likely to lead to positive brand attitudes.
2. Emotional appeals—these appeals seek to aid in transferring effective responses to the brand. They are related to the environmental image that depicts pleasant nature scenery, which can result in positive affective responses.
3. Mixed—type positioning—this green advertising combines functional and emotional appeals. In branding, the use of cognitive (environmental product attributes) and affective attributes contribute to the overall product or corporate brand.

Carlson et al. (1996) classify green advertising into (1) image-oriented (e.g. using brand advertising) and (2) behaviour-oriented (e.g. using consumer sales promotions, direct response advertising). Green advertising must, therefore, generate direct response and also behavioural response from consumers. Also, Hartmann and Apaolaza-Ibáñez (2009) state that green advertising that focuses on green product features presents a central point for persuasion. The environmental product feature works best in providing informational claims of a green product. Affective claims through nature imagery can create significant emotional advertising effects.

An example of green advertising is Coca Cola’s green billboards in the Philippines, which is made of Fukien tea plants that absorb carbon dioxide (Heater, 2011). In Ghana, the announcement of the first electric vehicles by Katanka Automobile, called the Katanka Amoanimah EV (Graphic Online, 2020), had put the company at the forefront of electric automobiles to be marketed in Ghana.

### 6.3.3.2 Green Public Relation

The concept of IMC recognises the use of public relations. Corporations are noted for spending on green public relations, usually through public relations firms that play a key role in promoting the notion of corporate environmentalism (Nakajima, 2001). Green public relations directed at the general public are a public form of educational campaigns (Nakajima, 2001). In emerging economies, where green marketing is gaining interest, PR can be used to generate interest and indicate to the general public the actions businesses undertake towards meeting environmental sustainability goals. An example is Unilever's press release on the issuance of a green sustainability bond to fund projects in South Africa and China (<https://www.unilever.com/news/>).

Marketing green business through public relations is possible since the two concepts are related. Kotler and Mindak (1978) proposed the Marketing Public Relations (MPR) concept and explained that though they are separate concepts, they play overlapping functions with their roles but with inter-linked activities. Marketing and PR are mutually supportive as they aid in achieving PR and marketing objectives. This is possible when PR and marketing target the same audience. Pickton and Broderick (2005) describe marketing public relations as the marketing-oriented aspect of public relations, which focuses on interactions with the target audience on marketing related issues. Marketing and public relations are very crucial in communicating with a target audience in a way that meets their needs, wants, interests, and concerns. This can be achieved using effective planning, executing, and evaluation of communication programmes that blend public relations and marketing.

The emphasis of MPR is on the consumer as the main target audience. In green marketing, public relations despite the general focus on many publics can be very effective when the communication targets the consumers since there is a marketing objective. Pickton and Broderick (2005) posit that the consumer is the principal public in MPR communications, but there is the need to include other publics to fulfil the objectives of MPR. However, they concede that a focus is placed on consumers in MPR since they are the end beneficiaries of such communications. MPR

may take the form of media relations, publications, publicity, corporate communications, public affairs and communication relations, lobbying, sponsorship/donations, events management, and crisis management (Pickton & Broderick, 2005). These forms of PR communications can be valuable to firms pursuing green PR.

### 6.3.3.3 Green Packaging

The look of a product forms the basis for evaluation by consumers. Product packaging forms the first impressions consumers have about a product. For green products, the packaging plays a crucial role in determining whether the product is environmentally friendly. These views are expressed by Smith and Brower (2012) that due to numerous products available for consumers to choose from, marketers use packaging to aid the easy identification of their products and also to convey messages that portray that a firm's products are environmentally friendly. An example of green packaging is using biodegradable packages. In South Africa, a company by name "*ecopack*" produces and supplies firms with sustainable packaging made from plants and biodegradable substances ([ecopack.co.za](http://ecopack.co.za)).

In green marketing, Smith and Brower (2012) stressed three roles of product appearance namely perception of product functionality or utilitarian value, communication of symbolic meaning and value, and product categorisation. These roles played by product appearance have been enumerated below:

1. The appearance of a product will serve as an indication of the functionality or utilitarian value. Consumers can deduce from the appearance of the product what attributes the product possesses. The appearance of the product can provide a clear signal of the environmental attribute of a product.
2. The appearance of a product may communicate symbolic values such as environmentally friendly. The appearance of the product may appeal to consumer's values, thus influencing them to make purchase decisions.

3. Product appearance aids in categorisation in the minds of consumers. This is crucial for green products because consumers who value green products can easily identify environmentally preferable products. This also helps in differentiation since green products are packaged with distinctive features from others.

#### 6.3.3.4 Eco-labels

It is no longer a novelty to be awarded an eco-label by a reputable organisation to indicate a firm's environmental quality of their products (Dosi & Moretto, 2001). Environmental labels or ecological labels are a common form of green communication that indicates the environmental impact of products and helps consumers make informed purchase decisions (Smith & Brower, 2012). Erskine and Collins (1997) state that eco-labelling has been heralded as improving the environment, hence has been promoted by the European Commission through policy instrument aimed at broadening the framework of environmental policy. The European Commission in 1992 introduced eco-labelling to improve the management of resources, consumption patterns, production, and use of energy (Erskine & Collins, 1997).

Rex and Baumann (2007) acknowledge the usefulness of eco-labelling in facilitating the process of making environmental labelling credible and trustworthy. This is needed because green products are generally considered to possess negative characteristics that have to be overcome to make their marketing successful. Consumers knowing that a product has been certified by a reputable organisation or agency will evoke a positive response. To address the challenge of false advertising, lack of a common standard for evaluating environmental claims, and negative attitude exhibited by green consumers towards firms, eco-labelling has been used to substantiate the claims made for green products (D'Souza, 2004). In South Africa, for instance, eco-labels such as the European Union energy label, and energy star eco-labels were among those recognised by consumers (Struwig & Adendorff, 2018). The recognition of eco-labels by consumers means that this is a form of communication that might influence their behaviour towards a firm's brand.

### 6.3.3.5 Social Media Green Marketing

Social Media has gained prominence in communication that transcends the traditional media and connects companies directly with customers and also represents a marketing opportunity (Neti, 2011). In general, social media helps in brand building, creating awareness of the offerings of a firm, influencing consumer purchase decisions, stimulating sales, building traffic to online channels, and creating dialogue. One profound benefit of social media is the opportunity it offers to communication parties to interact and create content. Social media platforms promote green brands and green culture, which appeals to millennials (Smith & Brower, 2012). Social media platforms also promote green word-of-mouth and reviews thus providing the opportunity to substantiate green claims made by firms.

Social media is considered an important part of IMC (Minton et al., 2012). There is the use of new media such as social media platforms (Facebook, YouTube, Twitter, blogs) in green marketing. Minton et al. (2012) assert that social media has the potential of churning out more credible advertising due to the use of personal characteristics such as interaction, interpersonal relations, and networking. For instance, in the hospitality sector, the internet is a common form of communication with the target audience and therefore could be an effective way to communicate a firm's green products. On YouTube, Hotel Verde, a three-star hotel in Cape Town, South Africa is touted as Africa's greenest hotel. The videos posted on YouTube take viewers through the various green initiatives of the hotel (e.g. <https://www.youtube.com/watch?v=WFadtzQN0zk>).

### 6.3.3.6 Green Communication on Websites

Company websites are a popular medium for communicating a firm's green initiatives. Esrock and Leichthy (2000) state that unlike traditional mass media channels, a single web site can have multiple sections, each targeted to a different audience. A study by Ham and Lee (2011) reported on the use of websites to communicate green practices and found that eleven public restaurant companies use their websites to communicate on

**Table 6.2** Examples of green website communications

Firms and Web address	Green website communications
Newmont Mining <a href="https://www.newmont.com/sustainability/environmental-responsibility/default.aspx">https://www.newmont.com/sustainability/environmental-responsibility/default.aspx</a>	The company communicates on its green policies and standards of excellence. A focus is on water management, air management, closure and reclamation management, and so on.
MTN <a href="https://www.mtn.com/wp-content/uploads/2019/03/MTN-Sustainability-Report.pdf">https://www.mtn.com/wp-content/uploads/2019/03/MTN-Sustainability-Report.pdf</a>	The company communicates on green offices to meet UN SDG on water-use efficiency, risk, and climate change response to meet UN SDG goal on resilience and adaptive capacity to climate-related hazards, and seeking network efficiencies, site construction, replacing inefficient products, site construction, and operations.
Unilever <a href="https://www.unilever.com/sustainable-living/reducing-environmental-impact/water-use/">https://www.unilever.com/sustainable-living/reducing-environmental-impact/water-use/</a>	The company communicates on the commitment to reduce water usage by halving the water associated with the consumer use of their products by 2020.

Source: Author compilation (2020)

eight categories including sustainable buildings; energy reduction; disposables; furnishings; materials and resources; use of healthy/sustainable; water reduction and recycling. On the websites of Newmont, MTN, and Unilever, which are reputable companies in Ghana, there are communications on green initiatives. These communications are presented in Table 6.2.

### 6.3.4 Results-Driven Green IMC

Under this pillar of IMC, two key issues are paramount: customer valuation of communication (responses) and marketing and financial outcome of IMC. In an emerging economy such as Belarus, Butkouskaya et al. (2019) found that there is limited understanding of customers and competitors, which affect the effectiveness of IMC. It is expected that fewer communication activities in emerging economies will affect the effectiveness of marketing communications. The improvement in the use of

interactive dialogue with customers will lead to the generation of customer information and feedback.

#### **6.3.4.1 Green IMC Influence on Consumer Perceptions and Responses**

Based on the theory of congruence effect, green communications is expected to generate positive consequences such as positive attitudes, behaviour engagement, positive sponsor attitude, sponsor credibility, and message credibility (Shin & Ki, 2019). Particularly very high positive and effective green communication is achieved when the congruence between the environmental issue communicated and the product category is high. For instance, a water bottling company's green communication on plastic waste management will receive a higher response due to a congruence between the product and the environmental issue of plastic waste. On the other hand, firms that are not having a good green reputation may not gain a very high effect since the target audience may view the firm's green communications as a strategy to make the firm look environmentally friendly. The target audience is likely to respond favourably to green communication when the firm has built a green reputation for itself over the years. Shin and Ki (2019) propose that the effectiveness of green advertising can be analysed based on the predisposition to respond favourably to a green advertisement, a favourable response towards the sponsoring organisation, the extent of trust of advertising claims, extent of trust of firm sponsoring the advertisement, and a deliberate plan to engage in green behaviour.

Also, green communications must affect customers to adopt green values, positive attitudes towards green communication, and green purchase behaviour. Bailey et al. (2016) explain the role played by green advertising in the relationship between green consumption behaviour, attitude towards ad, and green brand attitude. Green consumption behaviour is the tendency of an individual to explore environmental protection value through their purchases and consumption. Green consumption value will mean that consumers will have a favourable attitude towards green

ads, thus leading to a green brand attitude. Khandelwal and Bajpai (2011: 272) state that green advertising dimensions of “viewers’ attitudes, brand image, the media, green education, reference group and perceived effectiveness of environmental behaviour influence purchase decisions”.

#### **6.3.4.2 Marketing and Financial Outcomes of Green IMC**

The impact of Green IMC on business performance has been confirmed by studies, which makes the business case of Green IMC acceptable. There is enough evidence to show that firms that have effectively pursued Green IMC have witnessed improvements in their financial and marketing performance. Also, investments in Green IMC can be justified when marketers can show improvements in the firm’s bottom line. On financial results, Luxton et al. (2015) state that IMC from the resource-based view perspective improves a firm’s sales value, market share, and return on investment. Also, Porcu et al. (2019) found that IMC affects sales growth, total sales, brand awareness, and premium prices. Green IMC, therefore, presents both marketing and financial benefits.

The focus is on building Green IMC capability not in an outstanding way but the ability to use it to achieve some advantages. A common mistake that must be avoided is thinking that Green IMC is being performed in an extraordinary way and linking it to performance. As proposed by the resource-based view, IMC must be viewed as any other firm resource with the following characteristics: value, rare, inimitable, and nonsubstitutable to create competitiveness (Luxton et al., 2015). Also, IMC must be supported by market orientation (MO) and technology orientation (TO) practices (Butkouskaya et al., 2019).

Also, it is worth noting that Green IMC can affect overall firm financial performance when other crucial firm activities are present. From the study of Luxton et al. (2015), very crucial firm attributes such as effective communication campaign and brand market performance are also needed. Other key issues to take into consideration include brand building activities such as product/service quality, marketing effectiveness leading to improved sales and revenue, employee commitment and brand orientation, and so on. Care must, therefore, be taken in trying to overly



rely on green communication as a major strategy to gain consumer patronage. This effort must be supported by other important marketing activities.

## 6.4 Framework of Green IMC

Based on IMC's framework by Kliatchko (2005, 2008), we illustrate what must constitute Green IMC. The framework is based on IMC's four pillars: audience-focused, content, channel-focused, and results-driven, and integration based on strategic management of the campaign. The framework's main components serve as a guide to attaining Green IMC, as depicted in Fig. 6.1.

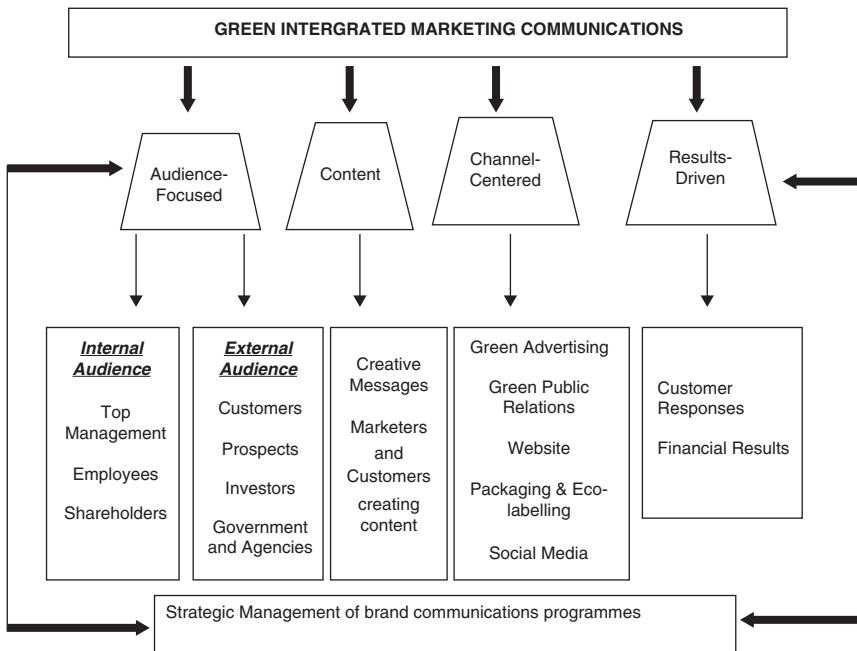


Fig. 6.1 Framework of Green IMC. Source: Adapted from Kliatchko (2005, 2008)

To demonstrate the usefulness of Green IMC, Table 6.3 explains how Hotel Verde, a green sustainable hotel in South Africa, uses Green IMC to differentiate itself.

**Table 6.3** A case of Green IMC of Hotel Verde

Green IMC	Description
Audience-focused	Communication on the hotel's website targeted at potential clients.
Message-content	Detailed information on hotel's energy-efficient practices such as the use of wind turbines, regenerative drive elevators, state of the art cooling/heating system, energy-efficient LED lights, recycling and reuse of waste, water-saving efforts, responsible sourcing of food items, offset carbon emitted, and so on. The hotel also displays on its website eco-labels. The target audience can see that the hotel has been awarded a green star and a US Green Building Council certificate.
Channel-focused	Detailed information about the hotel's green activities on its website ( <a href="https://www.verdehotels.com/capetown/our-green-story">https://www.verdehotels.com/capetown/our-green-story</a> ) with direct links to Facebook, Twitter, Instagram. There is also a direct link from the hotel's website to Tripadvisor, where clients can book for reservations and provide reviews of service performance.
Results-driven	As of 30 October 2020, the hotel has 6505 followers on Facebook. On Instagram, the hotel has 1301 followers and have made 673 posts. On Twitter, the hotel has 3976 followers and made 6509 tweets. On Tripadvisor, the hotel has generated about 1229 reviews from customers. This allows for electronic word-of-mouth (e-WOM). A guest who adheres to the green initiatives, such as not using air-conditioning, reuse towels, taking stairs instead of the lift, jogging around the garden, waste separation, not using additional pillows, and so on, leads to earning what they term as Verdinos (an in-house currency) to reward clients. This may lead to cost savings, thus improving financial performance. The hotel attempts to link their green marketing communications to the attainment of financial objectives. The existence of booking links on these communication channels emphasises the results-focused aspect of their green communications.

Source: Authors (2020)

## 6.5 Recommendation for Emerging Economies

In pursuing green integrated marketing communications, firms and policymakers in emerging markets can consider some recommendations.

First, the need for a Green IMC strategy must be a priority for firms. Green IMC must not just be considered as a tactic usually dictated by advertising agencies but must be a primary role of firm management. A Green IMC strategy ensures that the brand positioning and messages are delivered synergistically on all communication fronts to generate desired outcomes. Also, the strategy developed must consider which marketing communications enable the best use of resources and are efficient.

Also, green marketing communication must be done by utilising various marketing communication channels. Firms in emerging markets must find a way to use different communication tools such as websites, social media, advertising, public relations. This is because each communication channel appeals different to target audience and also possesses unique benefits.

Considering the diverse information needs of target audiences, firms must design green communication targeting a particular audience. Firms in emerging markets must identify the various segments of their green products and deliver tailor promotional messages for them. One approach to address this is the introduction of bilingual green marketing communications.

Firms must put in place systems to monitor and assess the performance of green marketing communications efforts. The management of firms must set clear business objectives for green marketing objectives. The ability to set key performance indicators of Green IMC will provide the ability to the opportunity to identify the strengths and weaknesses of the green communication campaign. Also, customer responses to Green IMC can be monitored to determine their preferences. This is to ensure the investment in green communications helps firms to enhance their performance.

For policymakers in emerging economies, lessons can be learned from the use of Green IMC in communicating green initiatives. This has

implications on nation branding, and destination marketing. The formulation of a green communication strategy by countries will guide the conduct of environmental marketing efforts. Communications on the efforts by countries on green initiatives can make good use of new media, which allows for two-way communication, leading to a sense of personal identification, and engagement in environmental discussions by citizens. The use of social media for green nation branding and destination marketing in emerging markets must be aggressively pursued. The use of multiple channels of communications in an integrated manner to market green initiatives of a country will lead to effective campaigns leading to change in target audience responses.

To enhance the understanding of the use of Green IMC in emerging economies, studies must focus on providing details of success stories of firms and countries that have used this approach to gain desired results. A lot of lessons can be drawn from successes from both developed and emerging markets. Some specific areas that need attention include using Green IMC in nation branding, promoting brands through Green IMC, and destination marketing.

## 6.6 Conclusion

Green marketing communication is a prerequisite to achieving desirable benefits from green marketing. Just as the promotional aspect of marketing plays a crucial role in creating awareness, building brands, influencing purchase intentions, and so on green marketing communication influences green values, positive attitude towards green communication, and favourable attitude towards green brands. Despite the key role of green communication, firms stand a better chance of achieving their marketing and strategic objectives when communication is coordinated and consistent. To achieve this, it is proposed that Green IMC must be a process and have a strategic focus. Firms pursuing green marketing must ensure their communications focus on a particular target audience, have creative messages, allow customers to create content, use multiple channels, and lead to marketing and financial performance. Beyond the understanding of how to ensure the use of Green IMC, it is expected that firms move towards using it to enhance their “bottom line”.

## References

- Arseculeratne, D., & Yazdanifard, R. (2014). How Green Marketing Can Create a Sustainable Competitive Advantage for a Business. *International Business Research*, 7(1), 130–137.
- Bailey, A. A., Mishra, A., & Tihamiyu, M. F. (2016). GREEN Consumption Values and Indian Consumers' Response to Marketing Communications. *Journal of Consumer Marketing*, 33(7), 562–573.
- Banerjee, S., Gulas, C. S., & Iyer, E. (1995). Shades of Green: A Multidimensional Analysis of Environmental Advertising. *Journal of Advertising*, 24(2), 21–31.
- Butkouskaya, V., Llonch-Andreu, J., & Alarcón-Del-Amo, M. D. C. (2019). Strategic Antecedents and Organisational Consequences of IMC in Different Economy Types. *Journal of Marketing Communications*. <https://doi.org/10.1080/13527266.2019.1633551>
- Carlson, L., Grove, S. J., & Kangun, N. (1993). A Content Analysis of Environmental Advertising Claims: A Matrix Method Approach. *Journal of Advertising*, 22(3), 27–39.
- Carlson, L., Grove, S. J., Lacznia, R. N., & Kangun, N. (1996). Does Environmental Advertising Reflect Integrated Marketing Communications? An Empirical Investigation. *Journal of Business Research*, 37(3), 225–232.
- Chamorro, A., & Bañegil, T. M. (2006). Green Marketing Philosophy: A Study of Spanish Firms with Ecolabels. *Corporate Social Responsibility and Environmental Management*, 13(1), 11–24.
- Chan, E. S. (2013). Managing Green Marketing: Hong Kong Hotel Managers' Perspective. *International Journal of Hospitality Management*, 34, 442–461.
- D'Souza, C. (2004). Ecolabel Programmes: A Stakeholder (consumer) Perspective. *Corporate Communications: An International Journal*, 9(3), 179–188.
- D'souza, C., & Taghian, M. (2005). Green Advertising Effects on Attitude and Choice of Advertising Themes. *Asia Pacific Journal of Marketing and Logistics*, 17(4), 51–66.
- Davari, A., & Strutton, D. (2014). Marketing Mix Strategies for Closing the Gap Between Green Consumers' Pro-environmental Beliefs and Behaviors. *Journal of Strategic Marketing*, 22(7), 563–586.
- do Paço, A. M. F., & Reis, R. (2012). Factors Affecting Skepticism Toward Green Advertising. *Journal of Advertising*, 41(4), 147–155.
- Dosi, C., & Moretto, M. (2001). Is Ecolabelling a Reliable Environmental Policy Measure? *Nota di Lavoro*, No. 9. 1999. <https://www.econstor.eu/bitstream/10419/154963/1/NDL1999-009.pdf>

- Erskine, C. C., & Collins, L. (1997). Eco-labelling: Success or Failure? *Environmentalist*, 17(2), 125–133.
- Esrock, S. L., & Leichty, G. B. (2000). Organization of Corporate Web Pages: Publics and Functions. *Public Relations Review*, 26(3), 327–344.
- Graphic Online. (2020). Kantanka to Introduce Small “Amoanimah” Electric Vehicles in Ghana. Retrieved from <https://www.graphic.com.gh/business/business-news/kantanka-introduces-small-electronic-vehicle-in-ghana-amoanimah-ev.html>
- Ham, S., & Lee, S. (2011). US Restaurant Companies’ Green Marketing Via Company Websites: Impact on Financial Performance. *Tourism Economics*, 17(5), 1055–1069.
- Hartmann, P., & Apaolaza-Ibáñez, V. (2009). Green Advertising Revisited: Conditioning Virtual Nature Experiences. *International Journal of Advertising*, 28(4), 715–739.
- Heater, B. (2011). Coca Cola’s Green Billboard Consumes Carbon Dioxide Like So Much Sugary Soda. Retrieved from <https://www.engadget.com/2011-07-06-coca-colas-green-billboard-consumes-carbon-dioxide-like-so-much.html>
- Holm, O. (2006). Integrated Marketing Communication: From Tactics to Strategy. *Corporate Communications: An International Journal*, 11(1), 23–33.
- Keller, K. L. (2001). Mastering the Marketing Communications Mix: Micro and Macro Perspectives on Integrated Marketing Communication Programs. *Journal of Marketing Management*, 17(7-8), 819–847.
- Khandelwal, U., & Bajpai, N. (2011). A Study on Green Advertisement and Its Impact on Consumer Purchase Intention. *Journal of Creative Communications*, 6(3), 259–276.
- Kliatchko, J. (2005). Towards a New Definition of Integrated Marketing Communications (IMC). *International Journal of Advertising*, 24(1), 7–34.
- Kliatchko, J. (2008). Revisiting the IMC Construct: A Revised Definition and Four Pillars. *International Journal of Advertising*, 27(1), 133–160.
- Kotler, P., & Mindak, W. (1978). Marketing and Public Relations: Should They Be Partners or Rivals? *Journal of Marketing*, 42(4), 13–20.
- Kumar, P. (2017). Intents of Green Advertisements. *Asia Pacific Journal of Marketing and Logistics*, 29(1), 70–79.
- Luxton, S., Reid, M., & Mavondo, F. (2015). Integrated Marketing Communication Capability and Brand Performance. *Journal of Advertising*, 44(1), 37–46.
- Minton, E., Lee, C., Orth, U., Kim, C. H., & Kahle, L. (2012). Sustainable Marketing and Social Media: A Cross-country Analysis of Motives for Sustainable Behaviors. *Journal of Advertising*, 41(4), 69–84.

- Mulhern, F. (2009). Integrated Marketing Communications: From Media Channels to Digital Connectivity. *Journal of Marketing Communications*, 15(2-3), 85–101.
- Nakajima, N. (2001). Green Advertising and Green Public Relations as Integration Propaganda. *Bulletin of Science, Technology & Society*, 21(5), 334–348.
- Neti, S. (2011). Social Media and Its Role in Marketing. *International Journal of Enterprise Computing and Business Systems*, 1(2), 1–15.
- Papadas, K. K., Avlonitis, G. J., & Carrigan, M. (2017). Green Marketing Orientation: Conceptualization, Scale Development and Validation. *Journal of Business Research*, 80, 236–246.
- Pickton, D., & Broderick, A. (2005). *Integrated Marketing Communications*. Pearson Education UK.
- Porcu, L., del Barrio-Garcia, S., Alcántara-Pilar, J. M., & Crespo-Almendros, E. (2019). Analyzing the Influence of Firm-wide Integrated Marketing Communication on Market Performance in the Hospitality Industry. *International Journal of Hospitality Management*, 80, 13–24.
- Rehman, S. U., & Ibrahim, M. S. (2011). Integrated Marketing Communication and Promotion. *Researchers World, Journal of Arts, Science & Commerce, International Refereed Research Journal*, II(4), 187–191.
- Reid, M. (2005). Performance Auditing of Integrated Marketing Communication (IMC) Actions and Outcomes. *Journal of Advertising*, 34(4), 41–54.
- Reid, M., Luxton, S., & Mavondo, F. (2005). The Relationship Between Integrated Marketing Communication, Market Orientation, and Brand Orientation. *Journal of Advertising*, 34(4), 11–23.
- Rex, E., & Baumann, H. (2007). Beyond Ecolabels: What Green Marketing Can Learn from Conventional Marketing. *Journal of Cleaner Production*, 15(6), 567–576.
- Schmuck, D., Matthes, J., & Naderer, B. (2018). Misleading Consumers with Green Advertising? An Affect–Reason–Involvement Account of Greenwashing Effects in Environmental Advertising. *Journal of Advertising*, 47(2), 127–145.
- Schüller, D., & Rašticová, M. (2011). Marketing Communications Mix of Universities, Communication with Students in an Increasing Competitive University Environment. *Journal of Competitiveness*, 3, 58–71.
- Schultz, D. E. (1992). Integrated Marketing Communications. *Journal of Promotion Management*, 1(1), 99–104.
- Schultz, D. E., & Schultz, H. F. (1998). Transitioning Marketing Communication into the Twenty-first Century. *Journal of Marketing Communications*, 4(1), 9–26.

- Shin, S., & Ki, E. J. (2019). The Effects of Congruency of Environmental Issue and Product Category and Green Reputation on Consumer Responses Toward Green Advertising. *Management Decision*, 57(3), 606–630.
- Smith, K. T. (2003). The Marketing Mix of IMC: A Move from the 4 P's to the 4C's. *Journal of Integrated Marketing Communications*, 1, 1–3.
- Smith, K. T., & Brower, T. R. (2012). Longitudinal Study of Green Marketing Strategies That Influence Millennials. *Journal of Strategic Marketing*, 20(6), 535–551.
- Smith, P. R., Smith, P., Berry, C., & Pulford, A. (1999). *Strategic Marketing Communications: New Ways to Build and Integrate Communications*. Kogan Page Publishers.
- Snyder, H. (2019). Literature Review as a Research Methodology: An Overview and Guidelines. *Journal of Business Research*, 104, 333–339.
- Struwig, M., & Adendorff, C. (2018). Consumers' Perception of Eco-labels in South Africa. *Athens Journal of Business & Economics*, 4(2), 163–178.
- Walker, K., & Wan, F. (2012). The Harm of Symbolic Actions and Greenwashing: Corporate Actions and Communications on Environmental Performance and Their Financial Implications. *Journal of Business Ethics*, 109(2), 227–242.





# 7

## Green Product Management: An Emerging Market Perspective in South Africa

K. M. Makhitha

### 7.1 Background

Research on green product management in emerging markets such as South Africa has been growing. This green marketing research is focused on diverse areas in green marketing. More specifically, research in green marketing in South Africa (SA) is focused on amongst small and medium enterprises (SMEs) (Duffett et al., 2018; Lekhanya, 2014; Maziriri, 2020; Morgan, 2017); as well as within hospitality (Fatoki, 2019); energy (Department of Environmental Affairs, 2019; Spencer et al., 2010), the water sector and agriculture, in apparel (Dabija, 2018; Dreyer et al., 2016; Taljaard et al., 2018); amongst black Generation-Y consumers' responses to advertising (Synodinos, 2013); company adoption of green marketing strategy (Isdale, 2016); green consumer behaviour (2016);

---

K. M. Makhitha (✉)

Department of Marketing and Retail Management, University of South Africa,  
Pretoria, South Africa

e-mail: [makhikm@unisa.ac.za](mailto:makhikm@unisa.ac.za)

green retail marketing advantages (Allen, 2007); and product and consumer attributes (Dubihlela & Ngxukumeshe, 2016).

Few research studies targeted green product management in SA (Anvar & Venter, 2014; Chikosha, 2018; Dubihlela & Ngxukumeshe, 2016; Hamilton & Terblanche-Smit, 2018; Maziriri, 2020; Muposhi et al., 2015). Existing studies on green product attributes do not focus on emerging markets such as SA (D'Souza, Taghian, Lamb, & Peretiakos, 2006; Ishaswini & Datta, 2011; Ismail et al., 2018; Tuten, 2013). This has created a gap for this chapter to investigate the green product management in SA with a more specific focus on the benefits of green marketing in this sector, as well as factors influencing and inhibiting the adoption of green products in SA by emerging market consumers. South African companies have adopted various green product strategies with the emphasis on local sourcing, green packaging, recycling, energy or water-saving eco-labels, e-waste recycling, introducing a green household product range and sustainability of the business. Furthermore, product strategies such as safe food, expanding sustainable product lines, building a resilient supply among others in food and clothing retailers are also adopted (Christelis, 2013; Hamilton & Terblanche-Smit, 2018; Maziriri, 2020). Retailers in SA are increasingly accounting for green marketing through eco-labels and enterprise development programmes. However, a lack of green marketing standards and governmental regulation impede the advancement of green marketing in SA (Christelis, 2013).

As companies seek opportunities to grow their businesses, emerging markets have become an attractive destination for green products to ensure their survival and growth. The growing middle classes in emerging markets have presented the opportunity for increased spending on green products and consumption of these products (Deloitte, 2017, p. 4). Companies can no longer ignore the impact green marketing strategies have on their bottom line. Therefore, understanding consumer attitudes and perceptions towards green products, as well as factors influencing and inhibiting consumers' adoption of green products is important for green manufacturers and retailers to formulate appropriate green product strategies. This understanding is also important for them to attract and attain green-conscious consumers. This chapter seeks to identify green products and to determine green behaviour in SA. The chapter further

determines the green efforts in textile and retail industries as well as factors influencing consumers to adopt green products. This chapter is structured to cover the purpose and objectives of this chapter followed by sections on research design, the green economy in SA as well as a section on green marketing, green products and green behaviour respectively. Following these sections will be the discussions on green marketing and the textile industry in SA, green marketing and the retail sector in SA and factors influencing green product adoption in SA. The conclusion will then be drawn from the discussions in the chapter.

## 7.2 Purpose and Objectives

This chapter purports to determine the factors that influence the adoption of green product amongst consumers

The following objectives are addressed in this chapter.

1. To identify green products in emerging economies.
2. To determine green buyer behaviour in SA.
3. To determine the green efforts of textile and retail companies in SA.
4. To determine factors that affect the adoption of green product management.

## 7.3 Research Design

The study employed involved a systematic review and synthesis of extant literature and secondary data sources as the research methodology is most suitable for the achievement of the objectives of this study. The analyses of literature sources on green marketing and green products were conducted and presented. This was deemed appropriate to address the objectives of the study and bring to light the green product strategies implemented in SA as well as factors influencing green product purchase in SA. Various sources related to green product marketing were reviewed and cited in this chapter to ensure the credibility and trustworthiness of the chapter.

## 7.4 The Green Economy in SA

The green economy in SA has been growing. The SA government has moved to embrace the green economy as an initiative to attain inclusive, equitable and sustainable growth and development in the country (TIPS, 2018). Various policies have been developed in the country with the purpose to develop and grow the green economy in the country and include South Africa's National Climate Change Response White Paper (NCCRWP), the National Development Plan (NDP), the New Growth Path and the Industrial Policy Action Plan (IPAP), each of which is dedicated focus area on developing green industries policies. This was further supported by the establishment of new green industries and the greening of existing, traditional industries (TIPS, 2018).

The SA government joined a global inter-agency United Nations (UN) programme, known as Partnership for Action on Green Economy (PAGE). PAGE's main goal is to bring together the expertise of five UN agencies (UNEP, UN International Labour Organization, UN Industrial Development Organization, UN Development Programme and UN Institute for Training and Research). The aim of the five agencies is to provide support to countries and regions in reframing economic policies and practices around sustainability. PAGE programmes contribute to better policy coordination and collaboration as well as the development of capacities of government institutions and social partners (Department of Environmental Affairs, 2017).

The rising concerns for organisations to be environmental conscious have led to the emergence of sustainability and corporate responsibility as two of the most prevalent themes to have emerged in the last decade internationally. This is owing to environmental social responsibility having the ability to ensure that future generations are provided for, particularly with the rise of social, environmental and economic inequality and adversity (Petrini and Pozzebon, 2009).

According to TIPS (2018), a green economy enables the country to achieve resource efficiency and clean production. Green economy also enables the country to reach its overarching goal of sustainable development with the economy, environment and society. It is enshrined in the

Sustainable Development Goals (SDGs), which requires that companies adopt green business methods. Christelis (2013) describes green business as an all-encompassing responsibility that requires that all levels of management, product and process are green. Christelis (2013) further states that green business encompasses corporate social responsibility, corporate environmental responsibility, the adoption of natural capitalism and the end goal of sustainability, which are all concerned with global-warming issues. The example of green business includes the global-warming crisis such as the climate change, global warming, deforestation, pollution and depletion of the ozone layer which have had a severe and negative impact across the world (Juwaheer, 2005).

Green marketing is one sub-area of green business. 'Green marketing' is used interchangeably with 'sustainable marketing', 'ecological marketing' and 'environmental marketing' (Govender & Govender, 2016). Green marketing in SA has moved from niche to mainstream marketing due to the level of awareness consumers have about green marketing as well as the demand for more social responsibility by consumers. This has resulted in environmental practices being the core responsibilities of the business and being used by organisations as a competitive advantage (Ottman, 2011). Environmental concerns have also become a key part of consumer decision-making, especially for consumers in middle and high-income categories, thus forcing companies to incorporate green marketing as part of their business and marketing strategies. Evidence shows that the low-income groups in SA are actively involved in recycling (Green times, 2019). However, low-income consumers are not the main target market for green products in SA since they are still perceived to be highly priced and not affordable to low-income consumers (Department of Environmental Affairs, 2019; Smith, 2013). This income group benefit from government projects focusing on greening the low-cost housing. According to Isdale (2016), the main target market for green products in SA is the higher-income group (living standard measure—LSM 8-10) and the millennials. The LSM 8-10 are the affluent consumers who are willing to pay a high price to satisfy their green solution interest while the millennials have the high level of social awareness and high interest in protecting the environment (Isdale, 2016).

Consumers are being driven by the environmental crisis, including water and energy shortages, as well as pollution, among others, to opt for green or greener product alternatives that offer them environmental benefits (Hur et al., 2013), making environmental sustainability an important business practice (Babiak & Trendafilova, 2011). South Africa emits about 50% of Africa's total greenhouse gas (GHG) and 1.4% of the world's GHG. Eskom and Sasol are the country's worst polluters in SA. Pollution and emission impact the demand for goods and services, forcing companies to manage the emissions (Ganda & Milondzo, 2018). It is therefore important to understand green consumer behaviour as well as factors influencing green products adoption.

## 7.5 Green Marketing, Green Products and Green Behaviour

Green marketing was defined by Bukhari (2011) 'as the means of selling products and/or services founded on their environmental advantages, where the product or service may in itself be considered as environmentally friendly or perceived in an environmentally friendly manner'. It is a commitment by an organisation to act in a green socially responsible manner, which involves developing safe, eco-friendly goods and services. This requires organisations to employ recyclable and easily decomposed packaging, better pollution prevention methods and a more efficient use of energy (Mukonza & Swarts, 2019). Green products are regarded as products with green design, green labelling, green packaging and green procurement (Smith et al. 2010). They are the products that meet customers' requirements by being socially acceptable. Green products are manufactured in a sustainable way and have a minimal impact on the environment (Kataria et al., 2013).

Green products make use of raw materials, product designs, production and packaging that is eco-friendly (Arseculeratne & Yazdanifard, 2013; Eneizan et al., 2016). Because some organisations do not produce tangible products, their efforts to support sustainability using less energy and efficient waste disposal are important in green marketing endeavours

(Kotler, 2011). This would involve paying attention to all aspects of getting the product to the market and include supply chain efficiency, sustainable and efficient production system, production processes, packaging, distribution and discarding of used products are important (Smith, 2013). In SA, companies are expected to present sustainability report during financial year reporting, which ensure that they account for their environmental behaviour.

The green product adoption in SA has been on the rise, with more and more consumers becoming green-conscious. The green-consciousness of consumers influences what they consider when evaluating products and services. While traditionally consumers would evaluate the products for its price, quality and durability, attributes related to environmental friendliness have become the focus of the evaluation. Consumers assess the green behaviour of companies before they make the decision of which products to buy and from which company to buy. Companies have had to reformulate their marketing and product strategies to ensure that they meet the consumer needs for green products. The need for saving the environment by acting in environmentally friendly ways has resulted in consumers purchasing green products and supporting green initiatives.

Green products are about the impact products have on the environment and the best approach to reduce any negative impact and protect natural resources (Rex & Baumann, 2007). This approach requires that companies formulate appropriate green products strategies. Product strategies in SA emphasise local sourcing, green packaging, recycling, low-energy use, water-saving eco-labels, e-waste recycling, introducing a green household product range, sustainability of the business, safe food, expanding sustainable product lines, building a resilient supply food and clothing retailers (Christelis, 2013). Retailers in SA are increasingly accounting for green marketing through eco-labels and enterprise development programmes (Christelis, 2013). The textile industry is one of the most affected industries that require green product management strategies. This chapter reviews the literature on the textile and the retail industries in SA to address the objectives of the study.

## 7.6 Green Marketing and the Textile Industry in SA

The textile industry in South Africa has been declining, making it almost impossible, or very costly, to work within an environmentally sustainable framework. The industry is a major impediment in the implementation of environmental sustainability in practice (Smal, 2016). South Africa has one of the biggest clothing markets (Van den Berg, 2017) and consumption is growing steadily, for example, as a result of an increasing number of shopping malls (Euromonitor International, 2015).

The product's life cycle within the clothing industry, from raw material extraction to production processes, care and maintenance, as well as the disposal of used products, needs new and innovative ways to reduce its environmental footprint (Business for Social Responsibility, 2009). The three major environmental challenges facing the clothing industry are high carbon footprint, excessive water usage and extensive waste (Business for Social Responsibility, 2009). The industry needs to improve its green product strategies. According to the Textile Exchange, (2012), nearly 20% of all textile products result in waste thus increasing the environmental footprint for clothing products. Clothing retailers are forced to adopt green-based product strategies to capture the attention of environmentally friendly consumers (Dabija, 2018).

New innovative models of practice are needed in the clothing industry to reduce its environmental footprint. The environmental footprint is severe in every phase of the product's life cycle, from raw material extraction to production processes, care and maintenance, as well as disposal of used or waste products (Business for Social Responsibility, 2009).

The textile companies are facing an array of scandals and challenges caused by environmental pollution and exploitation of workers, which compels them to rethink their strategies in compliance with environmental governance, and to implement specific measures aimed at environmental protection and preserving resources. By adopting green-based strategies to reach their target segments, retailers seek not only to capture the attention of different consumer generations, but also to inspire loyalty and encourage them to revisit stores (Dabija, 2018).



South Africa has the biggest clothing market in Sub-Saharan Africa (Euromonitor International, 2015). The consumption of clothing products grows steadily, for example through the increasing number of shopping malls (Euromonitor International, 2015). The sale of clothing products in South Africa experienced record growth in 2014, despite restricted consumer spending due to the high cost of living (Euromonitor International, 2015). Thus, SA is an interesting target for global brands due to a fast-growing market for clothing. This could create a challenge for green products since international products would be more expensive due to the high exchange rate, excluding the majority of SA consumers who cannot afford to pay higher prices.

As reported in the Sunday Times (2019), only a handful of clothing producers in SA are leading the 'green charge' and are producing green products. For example, local brands such as Akina, Pichulik, Sitting Pretty and Lunar take environmental and social issues into consideration in their product, while Maxhosa by Laduma and Lukhanyi Mdingi use natural, homegrown mohair and merino wool. The new independent labels like Rista and Louella are produced from sustainable and ethically produced raw materials (Sunday Times, 2019). There are few producers which make it difficult for the industry to reduce the impact of clothing on the environment.

The campaign 'Who Made My Clothes' was established by Fashion Revolution, which established with the aim to create awareness of the plight of workers and improve standards of safety as well as general working conditions. This was after a disaster in which 1129 garment workers were killed and 2500 injured in 2013 Rana Plaza (Sunday Times, 2019). In SA, the clothing industry is faced with a high rate of imported clothing, which sells at much lower prices than locally made ones, high unemployment rates and labour unrest, which makes it challenging to sell green products competitively. The retail industry in SA is another industry that has been responding to environmental changes in the market, thus adopting green product management.

## 7.7 Green Marketing and the Retail Sector in SA

The retail industry is under pressure to adopt green product strategies. This is because some consumers are aware and knowledgeable about the impact that the products they buy have on the environment and demand actions from retailers to reduce the damage to the environment. The green initiatives implemented by retailers in SA vary from one retailer to another. Various organisations within the industry, for example the Menlyn Park Shopping Centre in Pretoria, are implementing green initiatives. Menlyn Park Shopping Centre is SA's largest green retail space that lowers the utility and operational costs to the benefit of owners and tenants. The centre also maintains healthy and attractive indoor environments incorporating natural daylighting and greenery (Bizcommunity, 2019).

Woolworths is one of the retailers in SA that has taken green retailing more seriously. One of its store branches, Woolworths Palmyra, received the 5-star rating certified by the Green Building Council South Africa (GBCSA) (Supermarket and Retailer, 2017). In addition to this achievement, the store is equipped with energy-saving innovations, including automatic doors; energy-efficient LED; natural gas refrigeration; closed-door refrigeration; vents; under-floor heating that uses recycled waste heat from refrigeration and screens which show real-time energy usage (Supermarket and Retailer, 2017).

SA's leading food retailers (e.g. Food Lovers Market, Pick n Pay, Shoprite Checkers, SPAR and Woolworths) discussed and agreed on strategies to reduce food waste in their stores in line with the United Nation's Sustainable Development Goal. The United Nation's Sustainable Development Goals are to halve global food waste by 2030, which is in accordance with the World Resource Institute's Food Loss and Waste Reporting Protocol (GreenCape, 2019). This is a step in the right direction since it will help retailers reduce the impact of food waste on the environment. The retailers will also work together in promoting green behaviour among their consumers.

SA retailers are plagued by local issues like load-shedding and water shortages, which require green solutions. This has led to some retailers installing solar PV panels to produce many hours of renewable energy a year, accounting for 60–80% of the building's daily electricity needs. Some retailers are also introducing more natural daylighting (Bizcommunity, 2019). Another initiative in the retail sector is Greenpeace Africa, which outlines the state of renewable energy investments and commitments, energy transparency, commitment to renewable energy, greenhouse gas mitigation and lobbying for clean energy by Pick n Pay, Shoprite, Woolworths, Spar and Massmart. Woolworths was reported to be leading the way, followed by Massmart and Pick n Pay, while Spar and Shoprite were reported to be making less effort in these initiatives (Fin24, 2016).

Another effort in the retail sector is the establishment of the eco-friendly (green stores) stores—both brick 'n mortar and online stores. The purpose of green stores is to promote green products consumption by encouraging consumers and retailers to use natural, plastic-free, chlorine-free biodegradable packaging alternatives to traditional plastic alternatives. Green products also encompass various product categories from food, to clothing, to building supplies. The different product categories allow consumers to live the green product lifestyle without being limited by the unavailability of products and services should they choose to become green warriors. In support of the above discussion, it is argued to be important to determine the factors influencing green product adoption in SA, which is covered in the next section.

## 7.8 Factors Influencing Green Product Adoption in SA

Earlier researchers proposed the use of consumer behaviour models to determine the influence of consumer behaviour towards green products (De Freitas, 2018; Isdale, 2016). Factors that have been used to determine consumer adoptions of green products are varied and include factors like the environmental knowledge (Lee, 2009; Uddin & Khan,

2018); social influence (Anvar & Venter, 2014; Cheah & Phau, 2011; Taljaard et al., 2018; Uddin & Khan, 2018); environmental awareness (Anvar & Venter, 2014; Govender & Govender, 2016; Mkhize & Ellis, 2018; Taljaard et al., 2018); eco-labels (Muposhi, 2019; Struwig & Adendorff, 2012); green promotion (Govender & Govender, 2016); cost of green products, product quality and availability (D'Souza, Taghian, Lamb, & Peretiakos, 2006; Isdale, 2016; Mkhize & Ellis, 2018). These factors have not been studied from the emerging consumers' perspectives. It is important noting that these factors relate to green marketing mix elements: product, promotion, price and distribution. The next section discusses these factors to portray how they influence consumer behaviour towards green products.

### 7.8.1 Product

Green-conscious consumers search for green products and want to be satisfied that the products have no negative impact on the environment, it's recyclable and preserve the environment. Consumers that buy green products value benefits associated with these products such as superior freshness and taste, the promise of safety and health and savings on energy costs (Manget et al., 2009). Green products producers should consider the materials sourced, ingredients used as well as the manufacturing of green products. This includes the use of natural and organic materials as well as sourcing local and through fair trade suppliers. It further includes utilising environmentally friendly materials and using lean manufacturing and distribution methods that minimise a company's carbon footprint. SA companies are accountable for this and have to report on the materials used as well as sustainable behaviour on their sustainability living report. For example, Pick n Pay Sustainable living report (2019) provides a view on how they respond to responding to social and environmental by reporting how the company promotes healthy living, being environmentally responsible, building an inclusive ethical value chain and doing well in the community.

Companies in SA are also expected by the department of Environment affairs in SA to report on their Sustainable consumption and production

in manufacturing. Companies in productive sectors such as mining, mineral processing, manufacturing and others use technical, economic and environmental strategies to reduce their impact on the environment. They also report on sustainable consumption and production in water resources with the aim of encouraging companies to conserve water by also recycling water for production purposes. The SA Breweries is one of the companies in SA that recycles water they use in the production (Venter & Janse van Rensburg, 2009).

## 7.8.2 Packaging from Recycled Material

Green packaged was described by Mohamed (2016) as packaging using manufacturing methods and materials with minimal environmental and consumption impact. Packaging performs various roles in marketing products. Its purpose is to store the products as well as identifying, describing, protecting, displaying, promoting and making the product marketable (Govender & Govender, 2016) and has long been used by marketers to influence the buying decision of consumers (Agyeman, 2014). Environmental friendliness is one aspect of influencing consumers' choices. Packaging that has an impact on the environment influences consumer behaviour towards the products. This is because of consumers' concerns of packaging and products, which involves having to dispose of products that may have excessive influence on their environmental assessment (Tobler et al., 2011). Green packaging includes packaging that uses hard-to-decompose materials, low-energy consumption packaging and environmentally friendly (Tuwanku et al., 2018). It also includes packaging made from recycled material, incorporating low sulphur levels and healthiness. Green packaging involves the use of packaging that is environmentally friendly and is sustainable, which result in the improved sustainability of the products the packaging protects (Chiellini, 2008; Kumar et al., 2017).

Using green packaging was found to be favoured by consumers who view it as a more viable green marketing strategy, from a customer-centric perspective by Heyns et al. (2014). The use of reusable shopping bags, for example, was a strategy to discourage the single-use of plastic bags in SA

(Dikgang et al., 2010). Green packaging has been described by Hartmann and Apaolaza-Ibáñez (2012) as involving the reuse, reduction, refilling and recycling of packaging materials, which encourages the recycling of packaging materials. It also encourages the reduction of the materials used in the package, which involve using stronger and thinner materials (Rao & Bhargav, 2016).

In SA, various green packaging initiatives have been launched at the retail store and industry levels. For example, Pick n Pay launched its 'Make Plastic Bags Extinct' campaign in 2008. The company introduced its PnP green range packaging that is fully recyclable. Woolworths rolled out paper straws and wooden cutlery at its in-store cafés in 2018. Woolworths launched the Earth Friendly green product range which is fully recyclable and with packaging that features notable firsts such as household cleaning in South Africa with no metal elements. This also included the dog bags for the laundry and dish wash pods which are produced from a single source polymer (polyethylene), which are fully recyclable. The retailer also offers household cleaning range, including products packaged in green plastic (high-density polyethylene) HDPE bottles. Green plastic is plastic that does not use ethylene gas from fossil fuel (i.e. oil) to make the polyethylene. Instead, it uses sugar cane extracted ethylene; therefore it is no longer dependent on a non-renewable resource but is instead 100% renewable (IoL, 2019). The company also introduced low-cost, reusable bags to more stores across the country, as well as increasing the number of 'plastic shopping bag free' stores (IoL, 2019).

Whilst plastic-free stores have been introduced in SA; these stores seem to target high-income earners who are green-conscious and can live plastic-free. For example, Pick n Pay introduced dedicated plastic- and packaging-free zones across 13 stores in South Africa, more than half of which are in Cape Town. Pick n Pay customers have an option to purchase either Pick n Pay's new reusable-netted fruit-and-vegetable fresh produce bag or bring their own transparent and sealable reusable bag for loose-selling produce (Capetownetc, 2019).

As of 2020, a new initiative, the SA Plastics Pact, was established with the main aim of tackling the plastic pollution in the economy and to keep

them out of the environment. The World Wide Fund developed the SA Plastics Pact for Nature (WWF-SA), in partnership with the South African Plastics Recycling Organisation (SAPRO) and the UK's WRAP, and will be managed and delivered by GreenCape. Its founding members are the Clicks Group, Coca-Cola Africa, Danone, Distell, HomeChoice, Massmart, Myplas, Nampak Rigids, Pick n Pay, Polyoak, Polyplank, Shoprite Group, SPAR, Spur Corporation, TFG, Tigerbrands, Tuffly, Unilever, ADDIS, Waste Plan and Woolworths. Other organisations include Fruit South Africa, SAPRO, the Polyolefin Responsibility Organisation, the Polystyrene Association of South Africa, the PET Recycling Company, the Southern African Vinyl Association, the Institute of Waste Management of Southern Africa, the National Department of Environment, Forestry, Fisheries and the City of Cape Town (Supermarket and Retailer, 2020).

From the above initiatives, it is clear that recycling is playing a key role in influencing consumer behaviour to adopt green products. For example, the launch of green bags by some retailers is an indication that consumers are willing to change their behaviour and adopt green packaging. This initiative will go a long way to help reduce pollution in SA. There are also many cooperatives in SA, especially in townships that specialise in recycling. Some of the cooperatives operate as businesses that specialise in recycling materials. Members of the cooperatives collect various types of recyclable materials and take them for further processing in exchange for money, which has served as a motivation for recycling efforts in the country. However, the shortage of suitable land to dispose of waste in South Africa limits people from recycling. According to Statssa, millions of tonnes of general waste produced in South Africa still end up in landfills (with the majority of people involved in recycling being those living in urban areas and very few coming from rural areas). Recycling in rural areas was found to be more common in households on farms than households in traditional areas.

### 7.8.3 Use of Eco-labels

Eco-labels are labels or seals that symbolise approval and which are added to product labels or packaging. These labels or seals communicate the environmentally friendly attributes of the green products in question (Bratt et al., 2011). The purpose of the labels/seals is to help consumers make more informed purchase decisions by gaining knowledge and understanding conveyed through product information (D'Souza, Taghian, & Lamb, 2006). Eco-labels have been cited as the reason why consumers purchase green products, and their absence also serves as reasons for not buying green products (Mkhize & Ellis, 2018). With eco-labels, environmentally friendly consumers can identify green products with verified environmental attributes (Shingrup, 2013). A study conducted by Struwig and Adendorff (2012) reported that SA consumers are unaware of eco-labels and that they were unable to verify the environmental claims made by green products.

The six retail chains, Clicks, Food Lovers Market, Pick n Pay, Spar, Shoprite and Woolworths collaborated with WWF, to use the same recycling labelling system across their stores (Sadan, 2019). This was after the [labels on South African shelves were found to be confusing](#), with consumers perceiving that packaging was destined for recycling when it was not. The new label is known as the 'On Pack Recycling Labels' (OPRLs) and indicates whether the packaging can or cannot be recycled (Business Insider, 2019a). With the new label, consumers are able to determine whether the product is environmentally friendly or not. The labels are designed to depict that the package is recyclable and shows the type of recyclable package, for example plastics or paper. The eco-label is used in various food and non-food item, as well as household items such as clothing or décor accessories. Some materials have material identification codes that identify the material, whether plastic, bottle, paper and so on. This is important for waste collectors and recyclers, but not for consumers (Sadan, 2019).

Packages that are not recyclable have the same sign with a line through the label to denote that it is not recyclable.



Another eco-label is EcoStandard. EcoStandard is the first eco-label for building and construction materials in South Africa. It was developed in 2009 and launched at the end of 2013. The purpose of this eco-label is to provide independent verification and reward for responsible design and manufacture of products in the building sector. The purpose of EcoStandard, as is with the case of other eco-labels, is furthermore to provide easy identification of products which are environmentally friendly in terms of their sources of materials, manufacturing processes, as well as use and end-of-life design qualities, that is ease of disassembly for reuse or recycling. Businesses also use the label to authenticate the use of eco-materials and eco-methods for specific products (Milner et al., 2017).

SA does not have many eco-labels made in SA; however, there are international eco-labels that are used by SA companies. Most of these eco-labels are unknown to local consumers.

The Australia, China and all over the world.

The Global GreenTagCert™ comprises a number of certifications, verifications and declarations for different purposes: (Global Green Tag International, n.d.)

LCARate™ helps manufacturers market and end users understand the complexity of sustainability with simple graphics, real metrics and usable LCA data, using tiered LCARate Marks, Product Scorecards and Environmental Product Declaration (EPDs) with unique Life Cycle Benefit Analysis to power the Circular Economy. It is a unique comparative LCA (Life Cycle Assessment) based, product rating and certification system that compares the product under study to a 'worst case business as usual (BaU) product in common use'. The assessment that goes well 'beyond LCA' using robust scientific metrics to rate the whole of life performance of products using Bronze, Silver, Gold or Platinum rating Marks or 'Tags';

Environmental Product Declarations are part of Global GreenTag's ISO 14025 and EN 15804 LEED® and BREEAM® compliant EPD Program Operation also using unique Life Cycle Bene\_t Indicators, to measure Net Positive and Circular Economy benefits.

GreenRate™ is for all products and projects requiring recognised provider 'Sustainable Product' Certi\_cation in a variety of speci\_c international rating tools and programs. GreenRate is recognised for a key WELL™ Feature;

Product Health Declarations (GreenTag PhDs) are unique WELL™ recognised and LEED® compliant material health transparency/optimisation reports that also come with HealthRATE™ rating Tags;

HealthRATE™ ratings are a unique 'Healthiness in Use' assessment that provides BronzeHEALTH™, SilverHEALTH™, GoldHEALTH™ or PlatinumHEALTH™ rating Tags;

CarbonRATE™ Tags are an option for products with LCARate assessments based on '% Saved', 'Net Zero' and 'Carbon Credit % (Bene\_t)' claims;

Best Environmental Practice PVC (BEP PVC) is for vinyl products seeking recognition under Green Star®, Defence Australia and Lend Lease projects, among others.

Manufacturer Claim Verifications (McV) are single-issue verification Tags for environmental and health claims marketing support and risk management. (Global Green Tag International, *n.d.*)

Although various eco-labels have been launched, very few of them are known or recognised by consumers (Struwig & Adendorff, 2012). This implies that companies are spending efforts and resources developing eco-labels, but less is done to create awareness of the eco-labels in question. The establishment of one common label by the large retailers in SA, for example, would help overcome this challenge, although it will require some marketing effort by these retailers to ensure consumers are aware of the eco-labels the retailers have developed.

#### 7.8.4 Environmental Awareness/Green Promotion

The lack of awareness of green products could result in consumers not purchasing green products. This call for organisations to create awareness of green products can be achieved by using various communication tools. The use of eco-labels is considered one of the best tools to communicate green product attributes, which in turn can build green product familiarity (Isdale, 2016). Creating awareness for green products could also assist marketers to change the negative perception some consumers have about green products, such as that green products are expensive, are of inferior quality and that they are artificial products (Mints, 2011). Some of the negative perceptions consumers have about green products are because of

organisations that mislead consumers about the benefits of green products, which is known as green washing (Isdale, 2016). Dubihlela and Ngxukumeshe (2016) found that eco-friendly product consumption by South African consumers is aimed at protecting the environment. When consumers are unaware or have insufficient information about green products, they rarely consider buying them, which makes green awareness an important aspect of green product marketing (Dreyer et al., 2016).

According to Synodinos (2013), green promotion is important to convey the green image of the organisation to its target market(s) and a tool needed to create green product awareness and environmentally friendly behaviour. Govender and Govender (2016) state that advertising green products is effective when creating awareness of challenges facing the environment. Heyns et al. (2014) reported that green products certification is a form of promotion that differentiates green products from each other, and it brings the element of tangibility (and hence authenticity) to bear on the social responsibility image of businesses. The study by Taljaard et al. (2018) found that awareness of green products influences consumer behaviour towards green products, which supports the need for green promotion of green products. Synodinos' (2013) study found that green promotion influences consumer's environmental concerns and environmental behaviour. As part of green promotion, organisations could establish partnerships with communities to promote environmental awareness and educating people on environmental issues (Arseculeratne & Yazdanifard, 2013).

Increasing the level of awareness is important especially in the retail industry since increasing consumers' understanding of the recyclability of a particular type of packaging such as plastics influences their behavioural towards the use of plastic packaging, which is necessary to stop the flow of plastics in nature (Business Insider, 2019a). The introduction of the On Pack Recycling Labels (OPRLs) was necessary to reduce SA consumers' confusion about recyclable and non-recyclable packaging. Some consumers perceived that packaging marked with a number in a triangle could be recycled, which misled consumers into buying non-recyclable products (Business Insider, 2019b). Therefore, the use of uniform eco-labels in the retail and construction sectors, especially in the food and clothing sectors, helps consumers identify recyclable packaging.

Companies in SA have adopted various strategies to create green awareness. These strategies included advertising, use of social media, collaboration with local municipalities, sponsorship of branded bags for recycling dry goods such as paper and cardboard for kerbside collection of municipal waste. Products are also being enclosed in sustainable, green packaging to promote waste separation from the home to municipal collection points (Themediaonline, 2017).

Within SA, there are some organisations whose responsibilities it is to promote green awareness, for example eLabel and Carbon Protocol. eLabel was developed to share information about products and services in respect of environmental, humanitarian and animal welfare concerns. It serves as a platform for civil society organisations to share valuable information to consumers. It also serves as a tool that registered users can use to find out more about products than is provided on the physical label (Ecospecifier, n.d.).

The Carbon Protocol established to raise awareness and facilitate the transition to a climate-resilient society, by maintaining and managing a Carbon Neutral Logo for members. It was established as a collaborative entity of concerned and interested parties within South Africa (Ecospecifier, n.d.). Parties include residential consultants or those who want to green their homes and offices, to those dealing with water and energy resources and want to manage the efficiency of these resources, as well as others (Ecospecifier, n.d.).

Shopping centres and office buildings in SA also keep large bins for recycling purposes, which helps educate consumers on the need for recycling, as well as reducing environmental waste, as shown in Fig. 7.1.

In addition to the above, municipalities across SA were also involved in the green initiatives through a campaign that promoted recycling and encouraged communities to ‘reduce, reuse and recycle’ packaging and products. Some municipalities went to the extent of handing out refuse bags that consumers should use to store goods for recycling. This was a valuable effort to create the level of awareness needed for consumers to recycle (The Citizen, 2018).



Fig. 7.1 Framework of Green IMC. (Source: Own picture)

### 7.8.5 Environmental Knowledge

Environmentally knowledgeable and concerned consumers purchase green products to minimise their impact on the environment and do so even when the product is of inferior quality (Gleim et al., 2013). Organisations producing green products need to create awareness of green product attributes to influence consumer attitude and behaviour towards green products. This is because of the positive link between environmental knowledge and environmental behaviour (Tanner & Kast, 2003). Companies need to develop environmental consciousness among consumers so that they can consume green products purposefully (D'Souza, Taghian, & Lamb, 2006). This will serve as a reason for consumers to learn about and use eco-labels (Thøgersen et al., 2010).

Some consumers are unaware of the impact of their behaviour on the environment; creating environmental knowledge will help these consumers to change their behaviour and attitudes towards the environment. Woolworths recently launched environmentally friendly (green) products and has expanded its product range to include 24 eco-cleaning and 7 plastic-alternative household items. The purpose was to take advantage of latest advances available to formulate highly effective cleaning products free of potentially harmful substances such as chlorine, phosphates, dyes or parabens, triclosan and artificial colourings (IoL, 2019). These

efforts go to show that consumers are knowledgeable about green products and actively search for these products, which is why retailers such as Woolworths stock them in their store shelves. There has been a trend in SA where consumers have been shown to be buying organic products (USDA, 2019), which supports that consumers are knowledgeable about green products and chose green products despite the perception that they are higher priced than other products.

### **7.8.6 Cost of Green Products, Product Quality and Availability**

Green products are perceived to be costly, and, according to Davern (2007), the costs for creating green products are higher since they are not easily available. Because some of the green products are imported, costs can even be attributed to variations on green specifications across countries, which add costs to the product (Lubieniechi, 2002). Price was identified in various green marketing studies as a barrier towards green product purchase behaviour (Young et al., 2010). However, studies have also reported that consumers involved with the environment are willing to pay a 'green premium' than those who are not (Vlosky et al., 1999).

As mentioned earlier in this section, environmentally concerned consumers are more willing to pay a premium price to support retailers/growth and to sponsored green product improvements (Oliva & Kallenberg, 2002). A 2015 Nielsen Global Corporate Sustainability Report shows that majority of the South African consumers are willing to pay more for brands owned by companies committed to positive social and environmental impact, compared to the global consumers (Bizcommunity, 2018). This implies that the less knowledgeable consumers are about green products, and less accessible green products are, the fewer consumers will be willing to pay premium prices. Knowledgeable consumers are more likely to have a better understanding of the costs involved in producing and making available green products, thus influencing their attitude towards paying premium prices for green products. Consumers who are aware of green products and the eco-labels are also willing to pay a higher price for such products because of the perceived

quality, environmental friendliness and credibility of eco-labels (Dreyer et al., 2016). However, the reality is that the higher the prices for green products are, the less affordable they will be for most consumers in SA. For example, a packet of 48, 2-ply, green toilet paper sells for a price range of \$20–\$25 compared to the normal (non-green) price of \$10–\$15 in SA. SA has a high unemployment rate of 30% (IoL, 2020) with the majority of its citizens living in poverty, which implies that green products would be targeted at middle and mostly higher-income earners.

Sonnenberg et al. (n.d.) argue that green products cannot succeed unless they also perform competitively in terms of non-environmental attributes. This means that green products must satisfy consumers in both green and non-green product attributes such as price, branding and quality. The green products in South Africa are believed to be priced high, which excludes certain groups of consumers from purchasing green products, especially the lower-income and some middle-class consumers. The high-price strategy used for green products has been cited as a reason why some consumers do not buy green products (Muposhi, 2019). Perceptions exist among some consumers that green products are not easily made available. Therefore, companies need to ensure that green products are available and that their availability is communicated to consumers. This perception will soon change as retailers continue to launch their own green product ranges, thereby increasing green product awareness and green product availability.

### 7.8.7 Social and Peer Influence

Various scholars (Anvar & Venter, 2014; Pickett-Baker & Ozaki, 2008; Taljaard et al., 2018) have researched the impact of social influence on green products purchase. According to Pickett-Baker and Ozaki (2008), social influences promote recycling activities among consumers and that these influences, in turn, influence the behaviour of environmentally conscious consumer towards green purchase behaviour. Taljaard et al. (2018) examined whether social influence determined the adoption of green products and reported that that social influence does not have any impact on consumers' intentions to buy green products. Other studies

such as those of Uddin and Khan (2018), Park and Ha (2014), Anvar and Venter (2014) and Bamberg and Moser (2007), in contrast, found a positive association between intent and behaviour. Other studies support Taljaard et al.'s (2018) findings that social influence does not influence consumer behaviour towards green products (Armitage & Conner, 2001).

The green-conscious consumers are demanding transparency and traceability when buying clothing and fashion products and are often responsible for influencing others to do the same. These are the younger generations who are younger than 40 years of age (Bizcommunity, 2018). The green-conscious consumers are interested in where their clothing was sourced from, how it was made, if the workers in that environment are well taken care of, and if workers are being paid a stipulated and fair wage rate (Bizcommunity, 2018). The social and peer pressure in SA is becoming more visible in recycling and the use of recycled materials such as recycled bags compared to the use of plastics. This is because there have been numerous efforts to promote recycling of products and other materials, which results in consumers influencing each other towards the recycling of products and packages.

## 7.9 Conclusion

Although there are numerous efforts in SA with respect to green product marketing, not all consumers are aware of green products. While some consumers may be aware of green efforts such as recycling, the shortage of land impact on the recycling efforts of South Africans. There are various other efforts in SA to encourage consumers to recycle the product and packaging that they use. Various stakeholders have also made efforts to educate consumers to, and make them aware of, the need to protect the environment by recycling.

Few of the eco-labels in SA are known, which requires an awareness of eco-labels to be generated among long consumers. Also, green products in SA are often treated as speciality products mostly targeted at high- but also some middle-income consumers, leaving out the majority of consumers from buying green products. However, it is noteworthy that not



all consumers in SA can afford green products since green products in SA are generally priced higher than normal, non-green products, thus excluding the majority of SA citizens from buying these green products.

## References

- Agyeman, C. M. (2014). Consumers' buying behavior towards green products: An exploratory study. *International Journal of Management Research and Business Strategy*, 3(1), 188–197.
- Allen, T. (2007). Could green-marketing be a sustainable competitive advantage for retailers within South Africa? Masters dissertation, UP.
- Anvar, M., & Venter, M. (2014). Attitudes and Purchase Behaviour of Green Products Among Generation Y Consumers in South Africa. *Mediterranean Journal of Social Sciences*, 5(21), 183–194. <https://doi.org/10.5901/mjss.2014.v5n21p183>
- Armitage, C. J., & Conner, M. (2001). Efficacy of the theory of planned behaviour: A meta-analytic review. *British Journal of Social Psychology*, 40(4), 471–499.
- Arseculeratne, D., & Yazdanifard, R. (2013). How Green Marketing Can Create a Sustainable Competitive Advantage for a Business. *International Business Research*, 7, 130–137. <https://doi.org/10.5539/ibr.v7n1p130>
- Babiak, K., & Trendafilova, S. (2011). CSR and environmental responsibility motives: Motives and pressures to adopt green management practices. *Corporate Social Responsibility and Environmental Management*, 18(1), 11–24. <https://doi.org/10.1002/csr.229>.
- Bamberg, S., & Moser, G. (2007). Twenty years after Hines, Hungerford, & Tomera: A new meta-analysis of psycho-social determinants of pro-environmental behaviour. *Journal of Environmental Psychology*, 27(1), 14–25.
- Bizcommunity. (2018). #ATFexpo2018: How the Conscious Consumer Is Reshaping Fashion Retail. <https://www.bizcommunity.com/Article/196/462/184758.html>
- Bizcommunity. (2019). Why More Retailers Are Going Green. <https://www.bizcommunity.com/Article/196/640/189285.html>
- Bratt, C., Hallstedt, S., Robert, K. H., BromaN, G., & Oldmark, J. (2011). Assessment of eco-labelling criteria development from a strategic sustainability perspective. *Journal of Cleaner Production*, 19(14), 1631–1638.
- Bukhari, S. S. (2011). Green Marketing and its Impact on Consumer Behavior. *European Journal of Business and Management*, 3(4), 375–383.

- Business for Social Responsibility. (2009). Apparel Industry Life Cycle Carbon Mapping. [Online]. [http://www.bsr.org/reports/BSR\\_Apparel\\_Supply\\_Chain\\_Carbon\\_Report.pdf](http://www.bsr.org/reports/BSR_Apparel_Supply_Chain_Carbon_Report.pdf).
- Business Insider. (2019a). Clicks, Food Lovers Market, Pick n Pay, Spar, Shoprite, and Woolworths Are All Dropping the Confusing Recycling Info on Their Packaging – Here’s How Their New Unified Approach Will Look. <https://www.businessinsider.co.za/clicks-food-lovers-market-pick-n-pay-sparshoprite-and-woolworths-will-adopt-a-unified-recycle-label-system-2019-8>
- Business Insider. (2019b). Why South Africans Are Being Misled by the Recycling Numbers on Packaging. <https://www.businessinsider.co.za/misleading-recycle-labels-will-now-be-replaced-in-these-grocery-stores-2019-2>
- Capetownetc. (2019). Plastic-Free Fruit and Veg Section for Pick n Pay. <https://www.capetownetc.com/cape-town/plastic-free-fruit-and-veg-section-for-pick-n-pay/>
- Cheah, I., & Phau, I. (2011). Attitudes towards environmentally friendly products: The influence of ecoliteracy, interpersonal influence and value orientation. *Marketing Intelligence & Planning*, 29(5), 452–472.
- Chiellini, E. (Ed.). (2008). *Environmentally Compatible Food Packaging*. Elsevier.
- Chikosha, F. (2018). *Consumer Perceptions of Green Products, Purchasing Behaviour and Loyalty*. PHD thesis, DUT.
- Christelis, T. A. (2013). *An Analysis of the State of Green Business in the South African Retail*. Masters dissertation, UCT.
- D’Souza, C., Taghian, M., & Lamb, P. (2006). An Empirical Study on the Influence of Environmental Labels on Consumers. *Corporate Communications: An International Journal*, 11(2), 162–173. <https://doi.org/10.1108/13563280610661697>
- D’Souza, C., Taghian, M., Lamb, P., & Peretiakos, R. (2006). Green Products and Corporate Strategy: An Empirical Investigation. *Society and Business Review*, 1(2), 144–157. <https://doi.org/10.1108/17465680610669825>
- Dabija, D. (2018). Enhancing Green Loyalty Towards Apparel Retail Stores: A Cross-Generational Analysis on an Emerging Market. *Journal of Open Innovation: Technology, Market, and Complexity*, 4(8), 1–16. <https://doi.org/10.1186/s40852-018-0090-7>
- Davern, F. (2007). Bio-Fuel. *Business Green Design Future*, 12(07), 82–86.
- Deloitte. (2017). Emerging market insights: The coming emerging market demand shock. [Online]: [https://www2.deloitte.com/content/dam/Deloitte/za/Documents/africa/DeloitteZA\\_Demand\\_%20Shock\\_%20Sep2017.pdf](https://www2.deloitte.com/content/dam/Deloitte/za/Documents/africa/DeloitteZA_Demand_%20Shock_%20Sep2017.pdf).

- De Freitas, D. (2018). *Exploring and Predicting South African Consumers' Intended Behaviour Towards Selecting Green Hotels: Extending the Theory of Planned Behaviour*. Masters dissertation, University of South Africa.
- Department of Environmental Affairs. (2017). Green economy inventory for South Africa: An overview. [Online]. [https://www.un-page.org/files/public/green\\_economy\\_inventory\\_for\\_south\\_africa.pdf](https://www.un-page.org/files/public/green_economy_inventory_for_south_africa.pdf).
- Department of Environmental Affairs. (2019). *Sustainable Consumption and Production: Working Paper*. Ministerial Conference. [https://www.tips.org.za/images/Sustainable\\_Consumption\\_\\_Production.pdf](https://www.tips.org.za/images/Sustainable_Consumption__Production.pdf)
- Dikgang, J., Leiman, A., & Visser, M. (2010). Analysis of the plastic bag levy in South Africa, ERSA Working Paper, University of Cape Town. [Online]. [https://www.econrsa.org/system/files/publications/policy\\_papers/pp18.pdf](https://www.econrsa.org/system/files/publications/policy_papers/pp18.pdf).
- Dreyer, H., Botha, E., van der Merwe, D., le Roux, N., & Ellis, S. E. (2016). Consumers' Understanding and Use of Textile Eco-Labels During Pre-Purchase Decision-Making. *Journal of Family Ecology and Consumer Sciences* (Special Edition Diversifying Clothing Research in Southern Africa), 1, 1–16. <https://www.ajol.info/index.php/jfec/article/view/153036>
- Dubihlela, J., & Ngxukumeshe, T. (2016). Eco-friendly Retail Product Attributes, Customer Attributes and the Repurchase Intentions of South African Consumers. *International Business & Economics Research Journal*, 5(4), 164–174. <https://doi.org/10.19030/iber.v15i4.9754>.
- Duffett, R., Edu, T., Haydam, N., Iliuta-Costel Negricea, I., & Zaharia, R. (2018). A Multi-Dimensional Approach of Green Marketing Competitive Advantage: A Perspective of Small Medium and Micro Enterprises from Western Cape, South Africa. *Sustainability*, 10(10), 1–35. <https://doi.org/10.3390/su10103764>.
- Ecospecifier. (n.d.). [Online]. <http://www.ecospecifier.co.za/our-services/partners-programs/certification-partners-sustainability-partners/>
- Eneizan, B. M., Abd Wahab, K., & Obaid, T. F. (2016). Effects of green marketing strategies on sales volume of green cars. *Singaporean Journal of Business, Economics and Management Studies*, 51(3814), 1–14.
- Euromonitor. (2015). Eco worriers: Global green behaviour and market impact. [Online]. <https://www.euromonitor.com/eco-worriersglobal-green-behaviour-and-market-impact/report>.
- Fatoki, O. (2019). Green marketing orientation and environmental and social performance of hospitality firms in South Africa. *Foundations of Management*, 11, 277–290. <https://doi.org/10.2478/fman-2019-0023>.

- Fin24. (2016). Infographic: Going Green – How SA's Top 5 Retailers Stack Up. <https://www.news24.com/fin24/economy/eskom/infographic-going-green-how-sas-top-5-retailers-stack-up-20161027>
- Ganda, F., & Milondzo, K. S. (2018). The Impact of Carbon Emissions on Corporate Financial Performance: Evidence from the South African Firms. *Sustainability*, 10, 1–22. [https://www.mdpi.com/journal/sustainability/sections/management\\_aspects\\_of\\_sustainability](https://www.mdpi.com/journal/sustainability/sections/management_aspects_of_sustainability)
- Gleim, M. R., Smith, J. S., Andrews, D., & Cronin Jr, J. (2013). Against the Green: A Multi-method Examination of the Barriers to Green Consumption. *Journal of Retailing*, 89(1), 44–61.
- Global Green Tag International. (n.d.). Global Green Tag. [Online]. <https://www.globalgreentag.co.za/>.
- Govender, J. P., & Tushya L. Govender, T. (2016). The influence of green marketing on consumer purchase behavior. *Environmental Economics*, 7(2), 77–85. [https://doi.org/10.21511/ee.07\(2\).2016.8](https://doi.org/10.21511/ee.07(2).2016.8).
- Green times. (2019). Recycling 'Too Much Effort' for Most South Africans. <http://thegreentimes.co.za/recycling-too-much-effort-for-most-south-africans/>
- GreenCape. (2019). South Africa's Top Food Retailers Embark on an Initiative to Reduce Food Waste. <https://www.greencape.co.za/content/south-africas-top-food-retailers-embark-on-an-initiative-to-reduce-food-waste/>
- Hamilton, B., & TerblancheSmit, M. (2018). Consumer intention to purchase green vehicles in the South African market: A theory of planned behaviour perspective. *South African Journal of Business Management*, 49(1), a190. <https://doi.org/10.4102/sajbm.v49i1.190>.
- Hartmann, P., & Apaolaza-Ibáñez, V. (2012). Consumer attitude and purchase intention toward green energy brands: The roles of psychological benefits and environmental concern. *Journal of Business Research*, 65(9), 1254–1263. <https://doi.org/10.1016/j.jbusres.2011.11.001>.
- Heyns, E., Herbst, F., & Bruwer, J. (2014). The Relevance and Acceptance of Green Wines in South Africa: Some Marketing Insights. *Journal of Wine Research*, 25(4), 243–264. <https://doi.org/10.1080/09571264.2014.961597>
- Hur, W., Kim, Y., & Park, K. (2013). Assessing the effects of perceived value and satisfaction on customer loyalty: A 'green' perspective. *Corporate Social Responsibility and Environmental Management*, 20(4), 146–156.
- IoL. (2019). Woolworths Launches Plastic Alternative Household Items. <https://www.iol.co.za/business-report/companies/woolworths-launches-plastic-alternative-household-items-37071911>

- IoL. (2020). SA Unemployment Rate Increases to 30.1%. [Online]. <https://www.iol.co.za/business-report/economy/sa-unemployment-rate-increases-to-301-49782819#:~:text=JOHANNESBURG%20%2D%20South%20Africa's%20unemployment%20rate,the%20fourth%20quarter%20of%202019>
- Isdale, D. (2016). *Factors Influencing Firm Adoption of Green Marketing Strategies: A Marketer's Perspectives*. Dissertation, UJ.
- Ishaswini, & Datta, S. K. (2011). Pro-Environmental Concern Influencing Green Buying: A Study on Indian Consumers. *International Journal of Business and Management*, 6(6), 124–133. <https://doi.org/10.5539/ijbm.v6n6p124>
- Ismail, A. F., Leong, O. C., Sam, M. F. M., & Pei, C. S. (2018). Investigating the Impact of Green Marketing on Consumer's Purchasing Behaviour Towards Eco-Friendly Products. *International Journal of Development and Sustainability*, 7(1), 170–178. ID: IJDS17111302.
- Juwaheer, T. D. (2005). An emerging environmental market in Mauritius: Myth or reality? *World Review of Entrepreneurship, Management and Sustainable Development*, 1(1), 57–76. <https://doi.org/10.1504/WREMSD.2005.007753>.
- Kataria, A., Kataria, A., & Garg, R. (2013). Factors Affecting Green Buying Behavior: An In-Depth Study of Indian Consumers. *Journal of Management Research*, 1(2), 3–17. [https://www.researchgate.net/publication/260133069\\_Factors\\_Affecting\\_Green\\_Purchase\\_BehaviorAn\\_In-Depth\\_Study\\_of\\_Indian\\_Consumers/link/55ee741508ae199d47befca5/download](https://www.researchgate.net/publication/260133069_Factors_Affecting_Green_Purchase_BehaviorAn_In-Depth_Study_of_Indian_Consumers/link/55ee741508ae199d47befca5/download)
- Kotler, P. (2011). Reinventing marketing to manage the environmental imperative. *Journal of Marketing*, 75, 132–135.
- Kumar, M., Agarwal, A., Singh, P., & Singh, A. K. (2017). Green Packaging and Marketing in Promoting Agribusiness. *International Journal of Community Science and Technology*, 3(1), 17–24.
- Lee, K. (2009). Gender differences in Hong Kong adolescent consumers' green purchasing behavior. *Journal of Consumer Marketing*, 26(2), 87–96.
- Lekhanya, L. (2014). The Level of awareness of green marketing and its managerial implications amongst selected South African manufacturing Small, Medium and Micro Enterprises (SMMEs) in KwaZulu–Natal. *Journal of Economics and Behavioral Studies*, 6(8), 625–635.
- Lubieniechi, S. A. (2002). Romanian Consumers' Behaviour Regarding Organic Food. *British Food Journal*, 104(3), 337–344. <https://doi.org/10.1108/00070700210425750>

- Manget, J., Roche, C., & Münnich, F. (2009). *Capturing the Green Advantage for Consumer Companies*. The Boston Consulting Group. <https://www.bcg.com/documents/file15407.pdf>
- Maziriri, E.T. (2020). Green packaging and green advertising as precursors of competitive advantage and business performance among manufacturing small and medium enterprises in South Africa. *Cogent Business & Management*, 7(1), 1–21. <https://doi.org/10.1080/23311975.2020.1719586>.
- Milner, A., Braaf, C., & Kasner, S. (2017). *Eco-Labels as a Tool for Sustainable Choices*. Civil Engineering, August 25–26. <https://ecostandard.co.za/wp/wp-content/uploads/2017/09/Aug-2017-M25-Env-Viola-AS-PUBLISHED.pdf>
- Mints, T. M. (2011). *Profiling green consumers: A descriptive study*. Masters dissertation, Appalachian University.
- Mkhize, J., & Ellis, D. (2018). Consumer Cooperation in Sustainability: The Green Gap in an Emerging Market. 112–134.
- Mohamed, S. N. S. (2016). The Factors of Practising Green Packaging Adoption among Food Industry around Melaka, Project Report. Universiti Teknikal Malaysia Melaka UTeM, Melaka, Malaysia.
- Morgan, J. P. (2017). SMMEs and the Green Economy: Muddy waters and murky futures. An investigation into the sustainable practices of small medium and micro manufacturing enterprises in South Africa's Gauteng Province. [Online]. [https://www.gibs.co.za/about-us/faculty/Documents/Whitepapers/Marks\\_SMMEs%20and%20the%20green%20economy.pdf](https://www.gibs.co.za/about-us/faculty/Documents/Whitepapers/Marks_SMMEs%20and%20the%20green%20economy.pdf).
- Mukonza, C., & Swart, I. (2019). The influence of green marketing strategies on business performance and corporate image in the retail sector. *Business Strategy and the Environment*, 29(3), 838–845. <https://doi.org/10.1002/bse.2401>.
- Muposhi, A. (2019). Emergence of Green Marketing Capitalism in South Africa: Implications for Green Economy Agenda. *International Journal of Business and Management Studies*, 11(1), 1–15. [https://www.sobiad.org/eJOURNALS/journal\\_IJBM/archives/ijbm\\_2019-1/a-muposhi.pdf](https://www.sobiad.org/eJOURNALS/journal_IJBM/archives/ijbm_2019-1/a-muposhi.pdf)
- Muposhi, A., Dhurup, M., & Surujlal, J. (2015). The Green Dilemma: Reflections of a Generation Y Consumer Cohort on Green Purchase Behaviour. *TD The Journal for Transdisciplinary Research in Southern Africa*, 11(3), 225–240. <https://journals.co.za/doi/pdf/10.10520/EJC184576>
- Oliva, R., & Kallenberg, R. (2002). Managing the transition from products to services. *International Journal of Service Industry Management*, 14(2), 160–172. <https://doi.org/10.1108/09564230310474138>.

- Ottman, A. J. (2011). *The new rules of green marketing: Strategies, tools, and inspiration for sustainable branding*. Sheffield, United Kingdom: Greenleaf Publishing Limited.
- Park, J., & Ha, S. (2014). Understanding consumer recycling behavior: Combining the theory of planned behavior and the norm activation model. *Family and consumer sciences research journal*, 42(3), 278–291.
- Petrini, M., & Pozzebon, M. (2009). Managing sustainability with the support of business intelligence: Integrating socio-environmental indicators and organisational context. *Journal of Strategic Information Systems*, 18, 178–191.
- Pickett-Baker, J., & Ozaki, R. (2008). Pro-environmental products: marketing influence on consumer purchase decision. *Journal of Consumer Marketing*, 25(5), 281–293.
- Rao, P. K., & Bhargav, V. R. (2016). A Study on Green Packaging – A Case Study Approach with Reference to Dell Inc. *International Educational Scientific Research Journal*, 2(7), 83–84. <https://doi.org/10.21276/2455-295X>
- Rex, E., & Baumann, H. (2007). Beyond ecolabels: What green marketing can learn from conventional marketing. *Journal of Cleaner Production*, 15(6), 567–576. <https://doi.org/10.1016/j.jclepro.2006.05.013>.
- Sadan, Z. (2019). *Exploring the potential for local end processing of e-waste in South Africa*. Masters dissertation, UCT.
- Shingrup, S. (2013). Ecolabels: A green sustainability recital in Marketing- An empirical framework. *Voice of Research*, 2(1), 53–57.
- Smal, D. S. (2016). *The Role of Environmental Sustainability in a Design-Driven Fashion Industry: A South African Case Study*. D.Tech thesis, Cape Peninsula University of Technology.
- Smith, K., Lawrence, G., & Richards, C. (2010). Supermarkets' governance of the agri-food supply chain: is the 'corporate-environmental' food regime evident in Australia. *International Journal of Society of Agriculture and Food*, 17(2), 37.
- Smith, E. (2013). Assessing the Impact of Greening Perceptions on Consumer Purchase Behavior. *International Journal of Economics and Management Science*, 2(11), 94–107.
- Sonnenberg, N. C., Erasmus, A. C., & Schreuder, A. (n.d.). Consumers' preferences for eco-friendly appliances in an emerging market context. [Online]. <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.982.7362&rep=rep1&type=pdf>.
- Spencer, F., Swilling, M., Everatt, D., Muller, M., Schulschen, J., du Toit, J., Meyer, R., & Pierce, W. (2010). A strategy for a developmental green economy for Gauteng Final Report. [Online]. [https://cdn.gcro.ac.za/media/documents/a\\_developmental\\_green\\_economy\\_for\\_gauteng\\_final\\_2\\_iWbDNc0.pdf](https://cdn.gcro.ac.za/media/documents/a_developmental_green_economy_for_gauteng_final_2_iWbDNc0.pdf).



- Struwig, M., & Adendorff, C. (2012). Consumers' Perception of Eco-labels in South Africa. *Athens Journal of Business & Economics*, 4(2), 163–178. <https://doi.org/10.30958/ajbe.4.2.3>.
- Sunday Times. (2019). Nipped in the Waste: Why Sustainable Fashion Is a Big Ask for Local Designers. [Online]. <https://www.timeslive.co.za/sunday-times/lifestyle/fashion-and-beauty/2019-04-21-nipped-in-the-waste-why-sustainable-fashion-is-a-big-ask-for-local-designers/>
- Supermarket and Retailer. (2017). Woolworths Palmyra Store Receives South Africa's First 5-Star Retail Tenant Green Building Rating. <https://www.supermarket.co.za/news-article.asp?ID=6689>
- Supermarket and Retailer. (2020). South African Retail Giants Sign the First Plastics Pact in Africa. <https://www.supermarket.co.za/news-article.asp?ID=8323andCatTags=8-Going%20green>
- Synodinos, C. (2013). *Black Generation Y Students' Environmental Concerns, Attitudes Towards Green Advertising and Environmental Behaviour*. Masters dissertation, NWU.
- Taljaard, H., Sonnenberg, N. C., & Jacobs, B. M. (2018). Factors Motivating Male Consumers' Eco-Friendly Apparel Acquisition in the South African Emerging Market. *International Journal of Consumer Studies*, 42(5), 461–468. <https://doi.org/10.1111/ijcs.12441>
- Tanner, C., & Kast, S. W. (2003). Promoting sustainable consumption: Determinants of green purchases by Swiss consumers. *Psychology & Marketing*, 20(10), 883–902.
- The Citizen. (2018). Recycling Changing Lives – And Attitudes – In Townships. [Online]. <https://citizen.co.za/news/south-africa/1966203/recycling-changing-lives-and-attitudes-in-townships/>.
- Themediaonline. (2017). Sustainable Branding: Raising Awareness the Eco-Friendly Way. [Online]. <https://themediainline.co.za/2017/06/sustainable-branding-raising-awareness-the-eco-friendly-way/>
- Thøgersen, J., Haugaard, P., & Olesen, A. (2010). Consumer Responses to Eco-Labels. *European Journal of Marketing*, 44(11/12), 1787–1810. <https://doi.org/10.1108/03090561011079882>
- Tips. (2018). The Green Economy Barometer 2018 South Africa. [Online]. <https://www.greeneconomycoalition.org/assets/reports/Barometers-2018/South-Africa-Green-Economy-Barometer-2018-Final-WEB.pdf>.
- Tobler, C., Visschers, V., & Siegrist, M. (2011). Eating Green. Consumers' Willingness to Adopt Ecological Food Consumption Behaviors. *Appetite*, 57, 674–682. <https://doi.org/10.1016/j.appet.2011.08.010>



- Tuten, T. (2013). Promoting Sustainability by Marketing Green Products to Non-Adopters. *Association de Recherches et Publications en Management*, 2(30), 93–102. <https://www.cairn.info/revue-gestion-2000-2013-2-page-93.htm>
- Tuwanku, A. A., Rohman, F., & Rofiq, A. (2018). Does Green Packaging Matter as a Business Strategy? Exploring Young Consumers' Consumption in an Emerging Market. *Problems and Perspectives in Management*, 16(2), 376–384. [https://doi.org/10.21511/ppm.16\(2\).2018.34](https://doi.org/10.21511/ppm.16(2).2018.34)
- Uddin, S. M. F., & Khan, M. N. (2018). Young Consumer's Green Purchasing Behavior: Opportunities for Green Marketing. *Journal of Global Marketing*, 31(4), 270–281. <https://doi.org/10.1080/08911762.2017.1407982>
- USDA. (2019). South Africa Trade Opportunities for US and South African Organic Food. <https://www.fas.usda.gov/data/south-africa-growing-trade-opportunities-us-and-south-african-organic-food>
- Van den Berg, A. (2017). *Factors Influencing the Purchase Intention of the Black Middle-Class in Emerging Markets for Global Brands: The Case of Fashion Brands in South Africa*. PHD thesis, University of Witwatersrand.
- Venter, P., & Jansen Van Rensburg, M. (2009). *Strategic marketing: Theory and applications for competitive advantage*. Oxford University Press: Cape Town.
- Vlosky, R. P., Ozanne, L. K., & Fontenot, R. J. (1999). A Conceptual Model of US Consumer Willingness-to-Pay for Environmentally Certified Wood Products. *Journal of Consumer Marketing*, 16(2), 122–136. <https://doi.org/10.9790/0837-2411042635>
- Young, W., Hwang, K., McDonald, S., & Oates, C. J. (2010). Sustainable Consumption: Green Consumer Behaviour When Purchasing Products. *Sustainable Development*, 18, 20–31. <https://doi.org/10.1002/sd.394>

# Part III

## Operational Perspectives on Green Marketing



# 8

## Green Initiatives in Logistics Social Responsibility: A Research on the Turkish Logistics Industry

Berk Kucukaltan

### 8.1 Introduction

Marketing strategies are among the means through which long-term objectives are achieved. In marketing strategies, the importance of the distribution function, as indicated in the generic marketing mix, reveals the cruciality of logistics operations where distribution is one of the core functions. Moreover, a large number of studies in the marketing area underline the significance of reducing distribution or logistics costs to become or remain competitive in an industry. Accordingly, logistics emerges as a key factor for competitiveness and logistics service providers (LSPs), who are referred to as intermediate players among different actors in the supply chain domain, become strategically critical for managing

---

B. Kucukaltan (✉)

Faculty of Applied Sciences (Uygulamalı Bilimler Fakültesi),  
Trakya University, Edirne, Turkey

University of Bradford, Bradford, UK

e-mail: [berkkucukaltan@trakya.edu.tr](mailto:berkkucukaltan@trakya.edu.tr)

various logistics activities. In this regard, it is worth noting that there is an interplay between marketing and logistics domains.

From the logistics viewpoint, although the theme of corporate social responsibility (CSR) dates back to a long history, it has recently become a popular concept where care for the environment is particularly an important issue to focus on (Kurowski, 2017). In logistics operations, transportation is commonly regarded as one of the significant reasons for the increase in the environmental pollution level. In line with this, Piecyk and Björklund (2015) similarly noted that environmental issues are the most prominent matters of the CSR concept in logistics. This being the case, a closer focus on CSR-related issues in logistics begets the specific term of logistics social responsibility (LSR), which can be defined as socially responsible logistics management (Carter & Jennings, 2002). Therefore, the concept of LSR is mainly associated with the themes of CSR, logistics, and supply chain management. Yet, when the extant literature on LSR is examined, it can be explicitly deduced that the definition and content of LSR have not yet reached uniformity (Miao et al., 2012). Furthermore, despite the early acknowledgements of the importance of CSR in the logistics industry, research into LSR is relatively recent but still scarce (Mejías et al., 2016; Gruchmann et al., 2019). From this point forth, this chapter sets out to investigate how LSR issues are tackled and what environmental offerings are mainly performed by LSPs.

To achieve the above-stated objectives, the chapter is organised as follows. First, the interrelationship between marketing and logistics fields are initially explicated and, then, the acting role of a more suitable LSP type, third-party logistics (3PL) providers, in distribution activities within both domains is noted. Next, the chapter turns to the sustainability and CSR themes and underlines the discourses on the green initiatives in LSR activities. Finally, based on the evidence obtained from the major LSPs in the Turkish logistics industry, the chapter discusses green practices in LSR activities of LSPs, followed by insights and suggestions about the discussed concepts and practices.

## 8.2 The Interrelationship Between Marketing and Logistics in Supply Chain Management

Marketing has a significant role in business development, and organisations define their marketing strategies in accordance with their long-term objectives (Bakator & Petrović, 2016). In the essence of marketing, providing and transmitting value has a top priority. Indeed, Kotler (1972) specified that marketing is the transaction and exchange of values made between parties. Similarly, but more broadly, marketing is defined by the American Marketing Association (2017) as “*the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*”. As seen from these seminal definitions, exchange and delivery of values arise as the two notions that were commonly emphasised in the generic concept of marketing.

Furthermore, in this concept, four instruments, widely known as 4Ps (product, price, distribution or place, and promotion) in the marketing mix, are typically studied by academics and practitioners, although there is currently an emerging instrument, that is packaging, emphasised in the marketing literature. In either case, it is evident that there is a non-negligible link between marketing and logistics fields since packaging and distribution (or delivery) are among logistics management functions. The foundations of this nexus can be extensively associated with the studies from both marketing and supply chain perspectives.

On the marketing side, the American Marketing Association (2017) noted that distribution is referred to in the marketing dictionary as “*the act of marketing and carrying products to consumers. It is also used to describe the extent of market coverage for a given product.*” This definition validates that the distribution activity in logistics management is used as a means of reaching consumers in marketing and, as such, indicates that two fields are interrelated to each other. In line with this argument, Küçükaltan and Herand (2014) stated that marketing and logistics are two domains that complement each other in supply chain management. Similarly, Madhani (2017) expressed that marketing and logistics need to be conceived as a

chain of interdependent activities during the facilitation of the exchange processes between buyers and sellers due to the fact that both activities aim to meet customer needs and expectations. Thus, these arguments conduce an inference that logistics activities are closely related to the marketing field.

On the other hand, in the complex nature of the traditional supply chain network, there are various actors ranging from suppliers to customers and, given the recent changes occurring in business environments, such as globalisation and environmental awareness, there is an increased focus on global supply chain where logistics operations play a critical role in this complexity (Bergqvist & Egels-Zandén, 2012). In other words, for operations carried out between various actors in the supply chain network, logistics, especially the distribution function, is of great importance because what really matters in this network is to transfer or provide materials, products, and/or services at the right time and place. In this regard, logistics undertakes a pivotal role in the successful integration and implementation of strategies in supply chain management (Fernando & Chukai, 2018). In addition to this strategic role of logistics, as Madhani (2017) highlighted, logistics and marketing integration remains imperative for the successful supply chain management. Indeed, the Council of Supply Chain Management Professionals (2020) emphasised that logistics management integrates logistics activities with other operational functions, including marketing.

In a nutshell, based on these discussions, it is worthy of stating that marketing and logistics are related to each other and rationales of this interrelationship are manifold. First, distribution is a core element both in the traditional marketing mix and in logistics management. Second, given different marketing mixes highlighted by Hill (2013), place (or distribution) is especially positioned in services marketing and industrial marketing mixes where business-to-business relationships, just as in the logistics field, remain mainly significant. Third, a large number of companies, whose core competencies are different from logistics, outsource their distribution activities to LSPs (Selviaridis & Spring, 2007; Piecyk & Björklund, 2015) in order to reduce their distribution or logistics costs in the pursuit of becoming more competitive in their industries. Fourth, the primary objective of both marketing and logistics is to satisfy customers.

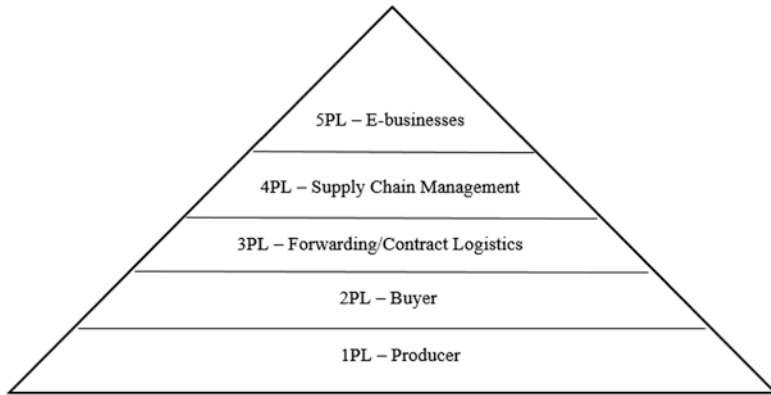
Consequently, at a major level, since interrelationships between both concepts are important for successful integration in the supply chain network, it is crucial to focus on the distribution instrument in marketing, which is also one of the core functions of logistics management. In this respect, LSPs and their activities come to the fore more to be examined in detail.

### 8.3 Types of LSPs and the Acting Role of 3PL Providers

In recent years, there is a growing interest in examining logistics as a field of research stemming from the fact that logistics activities significantly affect the value creation process and competitiveness of companies, including LSPs (Oláh et al., 2017). Briefly, logistics explicates what happens in the supply chain area through prominent logistics functions, such as inventory management, supply, customer response, transportation, and warehousing (Frazelle, 2002). That is to say, logistics management is not solely about transporting goods and/or services, but also carrying out these operations through efficient and effective inventory management and storage activities (Fernando & Chukai, 2018).

In logistics management, as a result of globalisation and increasing competitiveness in the supply chain domain, the roles and capabilities of LSPs have become more prominent in offering value-added services (Islam et al., 2013; Oláh et al., 2017). Yet, which type of LSPs is particularly capable of providing such services has caused a vagueness to be resolved for responsive logistics management. In this regard, it is noteworthy to pick out a more suitable LSP from the classified types, as depicted in Fig. 8.1.

As seen from Fig. 8.1, LSPs can be classified into five segments where first-party logistics (1PL) companies are referred to as shippers (such as producers delivering to customers) while second-party logistics (2PL) companies are known as carriers (own buyers) that provide transport services over a particular segment of a transport chain (Erkan, 2014). In this classification, it is apparent that 3PL companies especially act as main



**Fig. 8.1** Types of LSPs. Source: Adapted from Seyed-Alireza and Seyed-Alagheband (2011)

LSPs for offering various logistics services whilst fourth-party logistics (4PL) companies are regarded as lead LSPs and consultants providing supply chain activities (Winston & Rajendran, 2020). Finally, the fifth-party logistics (5PL) companies concern with the management of all parties of the supply chain in relation to e-business activities (Seyed-Alireza and Seyed-Alagheband, 2011). From this viewpoint, when the extant literature in logistics was examined, there is no consensus on the definition of the 3PL concept; however, it makes evident that the use of the LSP term refers to 3PL providers. In a similar vein, as underlined in Shi et al.'s (2020) research, 3PL providers are the agent logistics companies that determine the capacity of 4PL providers. This being the case, 3PL companies remain at the centre of this research for revealing green initiatives in LSR activities of LSPs.

In the logistics industry, as Gruchmann and Seuring (2018) highlighted, lately, there is a growing discussion on sustainability and LSPs have to respond to the increasing demands of different stakeholders with regard to sustainability issues. In this sense, the intermediate role of LSPs makes them strategically critical to take supply chain-wide sustainability initiatives (Pieczyk & Björklund, 2015). More specifically, in this connection, the literature on sustainable logistics practices encapsulates processes and management of 3PL activities as the main LSP group (Ciliberti



et al., 2008; Gruchmann & Seuring, 2018). On the other side, the marketing aspect similarly reveals that international marketing channel contributes remarkably to the sustainability issues (e.g. pollution, global warming, and climate change) through international distributions (Baack et al., 2013) offered by LSPs. Consequently, given the fact that transportation has a significant negative impact on the rapid growth of pollution, how LSR issues are tackled and what environmental offerings are mainly performed in LSR activities of LSPs becomes an important subject in dealing with the sustainability-related problems in supply chain management.

## **8.4 The Importance of Green in the Shift from CSR to LSR**

### **8.4.1 The CSR Concept in Sustainability and Stakeholder Relationship Management**

Recent changes and the fierce competition in the business environment lead organisations to move beyond thinking solely from the economic aspect. Today, organisations attempt to provide different value-added practices where sustainability prevails as a critical survival strategy to compete globally. As a concept, sustainability refers to the business practices in managing the triple bottom line (TBL), which consists of economic, social, and environmental responsibilities (Wheelen et al., 2018).

The economic aspect of sustainability generally deals with addressing shareholder expectations and generating enough cash flow whereas the social aspect mainly promotes the improvement of skills along with health and safety supports, and the environmental aspect principally considers protecting the environment (Agrawal et al., 2016). From this point forth, since there exist various actors either influencing or being influenced by these diverse operations, it is worthwhile to meet the needs of different stakeholders. In this regard, given the generic stakeholder concept proposed by Freeman (1984), there are two main stakeholder categories, namely internal and external stakeholders. Among the internal

stakeholders, employees and shareholders can be typically considered whilst, for the external stakeholder category, a number of actors, such as non-governmental organisations, governments, and societies, can also be added to the actors operating in the supply chain network (e.g. suppliers, manufacturers, and customers).

At the intersection of stakeholder relationship management and sustainability, to reach a compromise is key for businesses. That is to say, organisations need to create value for their stakeholders and simultaneously to build a balance between their economic objectives and their social and environmental responsibilities (Özçelik et al., 2014). More specifically, economic targets are usually treated as short-term objectives and, as such, lead academics and practitioners to give more priority to social and environmental aspects in the long run. The main rationales behind this preference are the long-term orientation of the latter aspects and their direct or indirect impacts on economic targets. Indeed, this approach is also presented in the strategy map of the generic balanced scorecard model. Accordingly, since favourable social and environmental performance tends to have a positive impact on an organisation's bottom line (Piecyk & Björklund, 2015), this understanding eventually induces the need of focusing more on CSR concept where social and economic aspects are emphasised more, compared to the economic pillar.

On the other hand, given the complex structure of the supply chain network, logistics emerges as a pivotal area for disseminating CSR practices as desired due to the intermediate and coordinating role of LSPs. However, a closer look into the intersecting literature on these two notions unveils that previous studies remain insufficient to reveal the role and value of logistics, especially LSPs, towards sustainability (Dey et al., 2011; Fernando & Chukai, 2018). Therefore, examining CSR activities of LSPs, within the umbrella concept of sustainability, is of great importance for designing a green and sustainable supply chain environment.

#### **8.4.2 Moving from CSR to LSR**

The theme of CSR dates back to a long history but, more particularly, it has been evolving more since a three-dimensional CSR model was

illustrated in the seminal work of Carroll (1979). In the late 1980s, the World Commission on Environment and Development published a report, entitled “Our common future”, also known as the Brundtland Report, and thenceforward sustainable development has emerged as a means to foster development in the world based on the aspects of TBL. In the past, only the environmental aspect was incorporated in the concept of sustainability, while CSR was generally referred to as social issues (Ciliberti et al., 2008). Yet, in the first decade of this century, CSR was defined in the green paper of the European Commission (2001) as “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*”. As embodied in this definition, it is evident that the concept of CSR captures both social and environmental concerns by considering stakeholders. Then, in 2011, the European Commission (2011) replaced the definition of CSR with the following statement: “*the responsibility of enterprises for their impacts on society*”. Following this change, only one area underlined in this definition caused debates and discourses on the theme of CSR since the CSR concept applies not only to the social aspect but also to the environmental dimension. As a result of these discussions, no consensus has still been reached concerning the CSR content, and vaguenesses have not yet been resolved.

In parallel, today, there is still no unique definition of CSR, and different terms (e.g. corporate responsibility, and corporate sustainability) have been used interchangeably by various researchers. In short, the concept of CSR, which is an interdisciplinary topic applied on a voluntary basis, can be described as the commitment of corporations to sustainable development (Piecyk & Björklund, 2015) and can embrace previously mentioned definitions and implications (Gruchmann et al., 2019). More specifically, given the discourses in the extant literature, it can be approached that CSR is a theme that incorporates social and environmental issues at the basis which, in turn, influence the economic drivers as a consequence.

Regarding the application of the CSR theme in the supply chain network, it is apparent that the early 2000s have also witnessed a joint issue on CSR, sustainability, and supply chain management concepts (Mejías et al., 2016). On this matter, LSPs hold a substantial potential to

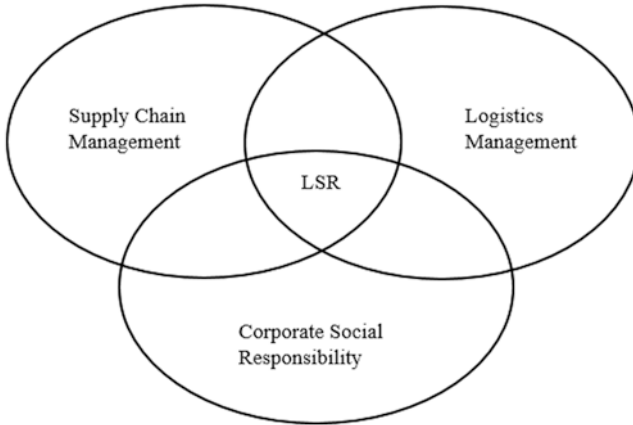
coordinate sustainable actions in the multi-tier supply chain network (Gruchmann & Seuring, 2018). Yet, most studies in the supply chain management field assess CSR issues for the logistics functions of manufacturing or retail companies, which paves the way for the importance of investigating CSR activities of LSPs since there is still uncertainty as to what particular CSR activities LSPs conduct and how they carry out these activities (Piecnyk & Björklund, 2015). In order to fill this void, it is critical to examine CSR activities of LSPs, and such focus elicited the specific term of LSR, which emerged in the literature during the implementation of CSR rhetoric in logistics.

### 8.4.3 The Importance of the Green Aspect in LSR

Logistics managers do not always know how to incorporate emerging CSR activities, and, therefore, there are still some problems in relation to CSR management in logistics (Björklund, 2010). In fact, transportation operations are one of the largest polluters in the business environment (Bergqvist & Egels-Zandén, 2012), and this raises several concerns in the society. As concerns for environmental and social issues increase, practices of LSPs as to CSR activities come to the fore more (Miao et al., 2012; Gruchmann & Seuring, 2018) and, as such, spark off a closer look into socially responsible logistics management, which corresponds to the term of LSR as noted by Carter and Jennings (2002). Figure 8.2 illustrates the descriptive position of LSR at the intersection of CSR, logistics management, and supply chain management themes.

In the literature, although major LSR practices are noted as environment, health and safety, diversity, human rights, and ethics—which is regarded as controversial—it is clear that there is no consensus on the content and definition of LSR. This being the case, as summarised by Gruchmann et al. (2019), there are several research gaps in logistics and supply chain management, such as construction in terms of addressing cross-functional logistics issues, and conceptualisation of CSR practices.

To deal with these issues and fill the research gaps on LSR in the logistics research field, focusing on a developing context is significant since previous researchers largely consider companies in western developed



**Fig. 8.2** The descriptive position of LSR. Source: Adapted from Gruchmann and Seuring (2018)

countries (Miao et al., 2012). Second, there is a growing interest in environmental offerings in LSR activities (Miao et al., 2012) and this enables to foster the green logistics literature for uncovering what LSPs offer environmentally as a subset of LSR. However, in previous studies (e.g. Thornton et al., 2013; Ali et al., 2020), LSPs were not predominantly considered at the focal point of research. Therefore, it is evident that further research is required regarding green initiatives in LSR activities of LSPs, especially in a developing country context.

In terms of the greenness, the environmental aspect of sustainability gained more momentum in various areas of the supply chain network, particularly after the Brundtland Report. More specifically, in a supply chain, as Cojocariu (2012) mentioned, logistics is a key component for transforming environmental protection into action. In line with this, tracing back the history of the green aspect in logistics indicates that greenness became a buzzword in the logistics field in the early 1990s and, since then, the awareness of environmental issues has been fostered in conjunction with the green logistics literature.

In the green logistics concept, different practices could be exemplary, such as green packaging, reverse logistics (Agrawal et al., 2016), waste management (Cojocariu, 2012), and reducing carbon footprint while

maximising energy efficiency (Fernando & Chukai, 2018) and all these practices are implemented with reference to environmental responsiveness. Yet, what can be counted as quite an achievement is to align these practices with the understanding and actions of all stakeholders existing in a supply chain. For instance, governments need to incorporate strict environmental policies to regulate greenhouse gas emissions while manufacturers and LSPs should adopt new technologies to decarbonise their activities. After all these adaptations, coordinations, and cooperations along the supply chain, it can then be possible to mention the effective route of achieving an environmental success. Accordingly, in this entire connection, the green initiatives of LSPs are of utmost importance and, therefore, logistics companies should adopt proactive green approaches in their LSR activities. By doing so, in addition to the positive impact on the supply chain-wide sustainability, particularly on the environmental aspect, these practices will also positively influence the image and customer loyalty of LSPs (Kaur et al., 2019). However, despite this importance, green logistics issues regarding the operations of LSPs were discussed narrow in the literature (Cojocariu, 2012). Thus, with the aim of advancing the current discussions, how LSR issues are tackled and what green initiatives are mainly performed by LSPs in practice are investigated in the following section.

## **8.5 Green Practices in LSR Activities of LSPs: A Case from the Turkish Logistics Industry**

In this chapter, green initiatives in LSR activities of LSPs are explored in an emerging economy, Turkey, since finding a balance between environmental concerns and economic growth is a pivotal matter for developing countries (Wang & Sueyoshi, 2018) and they are more vulnerable to the adverse effects of climate change than developed countries (Mirza, 2003; Wang & Sueyoshi, 2018). Among developing countries, Turkey has an important position in terms of its young population and economic capacity. Moreover, numerous companies in Turkey have recently launched

CSR disclosures in their CSR and sustainability reports according to the Global Reporting Initiative (GRI) and the United Nations Global Compact guidelines (Özçelik et al., 2014). In this regard, the questions of how LSR issues are tackled and what environmental offerings are mainly practised by LSPs arise when the CSR reporting takes place.

In the Turkish logistics industry, there are numerous LSPs operating at both international and national levels. Yet, among these companies, the LSPs that offer various logistics activities rather than only transportation and warehousing services, as defined in the 3PL concept, remain limited. What is more is that the number of leading LSPs is even lesser in the industry. Within this scope, in order to identify the major LSPs, the top 500 company lists of the *Fortune Turkey* magazine (Fortune: Türkiye, 2019), where companies are ranked based on their sales values, can be used as a sample. From this viewpoint, when these lists are consecutively analysed, several prominent 3PL providers in the industry emerge to be included as exemplary for this study. For instance, Reysaş Logistics, Mars Logistics, Horoz Logistics, and Ekol Logistics can be regarded as major players in the Turkish logistics industry and their green initiatives in LSR activities can be used to project real-life practices.

First, in order to start from the major level, it is initially significant to explore how LSR issues are tackled by these LSPs. To this end, given the reports and news shared on company websites and sectoral platforms, it is explicit that LSPs approach LSR activities largely in terms of the social and environmental aspects. Overall, the subject matters commonly underlined by these LSPs can be summarised as follows:

- adhering to the rules and policies set by the government,
- applying practices in compliance with the ISO environmental management standards (e.g. 14001, 14064-1),
- following business ethics principles and actions,
- offering high-quality services,
- establishing a collaborative environment with various stakeholders,
- preserving and enhancing trust and respectability,
- considering society needs and expectations as well as environmental impact,

- providing fair, equal, safe, healthy, and learning environment to employees, and
- being fair and honest while competing with other companies in the industry.

As seen from this summarised list, although social utility and environmental respect are mutually stressed as LSR activities, it is clear that LSPs also act towards paying strict attention to the environment protection through collaborative stakeholder relationship. In this sense, the analysis of secondary sources used in this chapter shows that green management systems of LSPs predominantly focus on adapting to dynamic changes through innovative solutions for a greener environment, particularly by reducing material and energy waste, increasing the economical use of raw materials, and addressing the needs of different stakeholders (e.g. society, customer, supplier, and investor).

More specifically, at the micro-level, examining green initiatives in LSR activities of the mentioned LSPs reveal similarities, to a large extent, although there are also some differences due to their capabilities, strategies, and short-term/long-term objectives. For instance, based on the shared reports and news for the company, green initiatives in LSR activities of Reysaş Logistics can be summarised (adapted largely from Reysaş Logistics, 2020) as follows: saving energy, reducing CO<sub>2</sub> emissions and waste of materials (e.g. solid and hazardous), offering renewable energy solutions through solar panels established on the roofs of warehouses and buildings, using alternative energy and fuel solutions throughout transportation activities, considering recycling options, irrigating green fields by using rainwaters, and establishing lean logistics practices.

Similarly, the shared reports and news regarding Mars Logistics highlight the following green initiatives in LSR activities (adapted largely from Mars Logistics, 2020): energy efficiency and saving, reducing CO<sub>2</sub> emissions and waste of materials (e.g. tyres), attempting to choose renewable energy solutions in different logistics functions, using alternative energy and fuel solutions throughout transportation activities. Distinctively, a high-level manager of Mars Logistics remarked that their sustainability report became the first sustainability report approved by GRI in the Turkish logistics industry.



On the other hand, the shared reports and news with regard to Horoz Logistics, which is referred to as the first national organisation in the Turkish logistics industry, draw attention to the following green initiatives in LSR activities (adapted largely from Horoz Logistics, 2020): saving energy, reducing CO<sub>2</sub> emissions and waste of materials (e.g. tyres), considering recycling options, and using alternative energy and fuel solutions throughout transportation activities.

Unlike previous logistics companies, with reference to the company website, Ekol Logistics is highlighted as the first sustainable logistics company globally and holds the Gold Sustainable Logistics Certificate. In addition to this, the company announced that it also received the European Eco Performance Award in 2012. Furthermore, based on shared reports and news, it can be deduced that Ekol Logistics emphasises on the following green initiatives in LSR activities (adapted largely from Ekol Logistics, 2020): saving energy, reducing CO<sub>2</sub> emissions and waste of materials (e.g. tyres, foods), considering recycling options, using alternative energy and fuel solutions throughout transportation activities, and forming green offices (was entitled to receive Green Office Certification in 2013) and eco-friendly warehouses.

All in all, the outcomes obtained through secondary sources help uncover how LSR issues are tackled and what environmental offerings are mainly performed by LSPs. Regarding the former matter, it is explicit that logistics companies deal with LSR issues based on two aspects and, as such, reinforces the discourses with respect to the primary aspects of the LSR theme in the literature. More specifically, the summary of these LSR activities highlights the paramount interest need to be given to environmental concerns. This being the case, the green initiatives in LSR activities of these LSPs are extensively explored in this chapter, and the findings demonstrate that LSPs predominantly offer similar green practices, despite several differences.

In addition to these findings, it is critical to emphasise, based on the analysed sources, that the intermodal transportation type emerges as a green operational solution for sustainable development stemming from the negative environmental impact of the road transportation. More particularly, the use of railway operations is of great importance for reducing environmental concerns. Indeed, these operations are also urged in

several white papers of the European Commission. Yet, when Turkey's current railway infrastructure is considered, there is still a long way to go in the management of large trade-oriented operations, in spite of ongoing developments. Finally, these days, companies prioritise Industry 4.0 practices; however, without applying the renewable energy technology in logistics operations, reaching a sustainable development can be quite difficult prior to advanced Industry 4.0 implementations. Therefore, value-added activities and strategies proposed through logistics operations should still be the focal point of organisations for promoting sustainable development.

## 8.6 Conclusion

Logistics is inherently a labour-intensive industry relying on, to a large extent, business-to-business relationships and, as in other industries, there is fierce competition in the logistics field. In order to become or remain competitive, finding a balance between economic, social, and environmental targets is especially important. In this regard, LSPs should adapt to dynamic changes in the business environment while concurrently fostering their LSR practices by unfolding their sustainability potentials. Since logistics operations, particularly transportation operations, are not free from being harmful to the environment and LSPs play an intermediary role among various supply chain actors, it is pivotal to investigate green offerings in LSR activities of LSPs. Yet, the extant literature demonstrates that there is scant attention to the matter of how LSR issues are generally tackled by LSPs and what environmental offerings they mainly perform. From this point forth, this chapter aimed at investigating LSR issues, at the major level, and green initiatives in LSR activities of LSPs, at the micro-level, in an indicative developing country, Turkey.

Based on the secondary sources utilised for this research, this chapter contends that two main dimensions in LSR activities, namely social and environmental, are emphasised by the major LSPs in the Turkish logistics industry. In these activities, it can be observed that these LSPs pay strict attention to environment protection. Accordingly, the obtained findings show that there is a range of similar and different green initiatives

performed by the exemplary LSPs discussed in this chapter. In this way, the chapter holds a promising potential to advance the limited knowledge in both marketing and logistics literature by bridging the gaps between discussions of LSR activities and the real-life applications carried out by LSPs in practice. Consequently, both discourses and the green initiatives presented as to LSR activities of LSPs provide academic and practical insights into what LSPs currently do and what they can proactively do to achieve or gain a sustainable competitive advantage in the industry.

On the other hand, there are also several drawbacks to this chapter. First, since not all news and reports of different LSPs can be shared or followed, obtained and presented information remained limited. Second, the determined sources were sometimes not up-to-date, and it was clear that some LSPs do not regularly share their recent activities in their reports or on their websites. Accordingly, although a great effort made to attentively and extensively explore various sources, the green practices discussed in this chapter do not mean that the green activities of these focal LSPs are limited only to these initiatives, especially given the ever-changing business environment. Thus, in future studies, more comprehensive attention to the LSR activities, especially the green initiatives, of LSPs through detailed and structured analysis is needed to help expand the known practices and discourses in the logistics field.

## References

- Agrawal, S., Singh, R. K., & Murtaza, Q. (2016). Outsourcing Decisions in Reverse Logistics: Sustainable Balanced Scorecard and Graph Theoretic Approach. *Resources, Conservation and Recycling*, 108, 41–53.
- Ali, S. S., Kaur, R., Ersöz, F., Altaf, B., Basu, A., & Weber, G. W. (2020). Measuring Carbon Performance for Sustainable Green Supply Chain Practices: A Developing Country Scenario. *Central European Journal of Operations Research*, 1, 1–28.
- Baack, D. W., Harris, E. G., & Baack, D. (2013). *International Marketing*. Sage Publications, Inc..

- Bakator, M., & Petrović, N. (2016). Correlation Between Marketing Strategy, Product Quality and Promotion on the Mobile Devices Market in Serbia. *Journal of Engineering Management and Competitiveness*, 6(2), 67–74.
- Bergqvist, R., & Egels-Zandén, N. (2012). Green Port Dues—The Case of Hinterland Transport. *Research in Transportation Business & Management*, 5, 85–91.
- Björklund, M. (2010). Linking Strategic Logistics Change to Labor Rights. *Social Responsibility Journal*, 6(4), 580–592.
- Carroll, A. B. (1979). A Three-dimensional Conceptual Model of Corporate Performance. *Academy of Management Review*, 4(4), 497–505.
- Carter, C. R., & Jennings, M. M. (2002). Logistics Social Responsibility: An Integrative Framework. *Journal of Business Logistics*, 23(1), 145–180.
- Ciliberti, F., Pontrandolfo, P., & Scozzi, B. (2008). Logistics Social Responsibility: Standard Adoption and Practices in Italian Companies. *International Journal of Production Economics*, 113(1), 88–106.
- Cojocariu, C. R. (2012). Costs, Time, Reliability, Warehousing and Information Technology—source of Contradicting Requirements in Green Logistics. *Metalurgia International*, 17(3), 215–219.
- Dey, A., Laguardia, P., & Srinivasan, M. (2011). Building Sustainability in Logistics Operations: A Research Agenda. *Management Research Review*, 34(11), 1237–1259.
- Ekol Logistics. (2020). Retrieved June 10, 2020, from <https://www.ekol.com/en/>
- Erkan, B. (2014). The Importance and Determinants of Logistics Performance of Selected Countries. *Journal of Emerging Issues in Economics, Finance and Banking*, 3(6), 1237–1254.
- Fernando, Y., & Chukai, C. (2018). Value Co-creation, Goods and Service Tax (GST) Impacts on Sustainable Logistic Performance. *Research in Transportation Business & Management*, 28, 92–102.
- Fortune: Türkiye. (2019). Retrieved June 9, 2020, from <https://www.fortune-turkey.com/fortune500>
- Frazelle, E. (2002). *Supply Chain Strategy: The Logistics of Supply Chain Management*. The McGraw-Hill Companies Inc..
- Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.
- Gruchmann, T., & Seuring, S. (2018). Explaining Logistics Social Responsibility from a Dynamic Capabilities Perspective. *The International Journal of Logistics Management*, 29(4), 1255–1278.

- Gruchmann, T., Schmidt, I., Lubjuhn, S., Seuring, S., & Bouman, M. (2019). Informing Logistics Social Responsibility from a Consumer-choice-centered Perspective. *The International Journal of Logistics Management*, 30(1), 96–116.
- Hill, M. E. (2013). *Marketing Strategy: The Thinking Involved*. Sage Publications, Inc..
- Horoz Logistics. (2020). Retrieved June 10, 2020, from <https://www.horoz.com.tr/en/Home>
- Islam, D. M. Z., Zunder, T. H., & Jorna, R. (2013). Performance Evaluation of an Online Benchmarking Tool for European Freight Transport Chains. *Benchmarking: An International Journal*, 20(2), 233–250.
- Kaur, J., Sidhu, R., Awasthi, A., & Srivastava, S. K. (2019). A Pareto Investigation on Critical Barriers in Green Supply Chain Management. *International Journal of Management Science and Engineering Management*, 14(2), 113–123.
- Kotler, P. (1972). A Generic Concept of Marketing. *Journal of Marketing*, 36(2), 46–54.
- Küçükaltan, B., & Herand, D. (2014). QR Code Usage for Marketing Activities of Logistics Companies. *Management*, 4(3A), 27–33.
- Kurowski, M. (2017). Selected Environmental Aspects in the Context of the Concept of CSR in Logistics Companies. *Economic and Environmental Studies*, 17(4), 1003–1016.
- Madhani, P. M. (2017). Logistics and Marketing Integration: Enhancing Competitive Advantages. *The IUP Journal of Management Research*, 16(3), 7–29.
- Mars Logistics. (2020). Retrieved June 10, 2020, from <https://www.marslogistics.com/en/>
- Mejías, A. M., Paz, E., & Pardo, J. E. (2016). Efficiency and Sustainability Through the Best Practices in the Logistics Social Responsibility Framework. *International Journal of Operations & Production Management*, 36(2), 164–199.
- Miao, Z., Cai, S., & Xu, D. (2012). Exploring the Antecedents of Logistics Social Responsibility: A Focus on Chinese Firms. *International Journal of Production Economics*, 140(1), 18–27.
- Mirza, M. M. Q. (2003). Climate Change and Extreme Weather Events: Can Developing Countries Adapt? *Climate Policy*, 3(3), 233–248.
- Oláh, J., Karmazin, G., Máté, D., Grabara, J. K., & Popp, J. (2017). The Effect of Acquisition Moves on Income, Pre-tax Profits and Future Strategy of Logistics Firms. *Journal of International Studies*, 10(4), 233–245.

- Özçelik, F., Öztürk, B. A., & Gürsakal, S. (2014). Investigating the Relationship Between Corporate Social Responsibility and Financial Performance in Turkey. *Atatürk Üniversitesi İktisadi ve İdari Bilimler Dergisi*, 28(3), 189–203.
- Piecyk, M. I., & Björklund, M. (2015). Logistics Service Providers and Corporate Social Responsibility: Sustainability Reporting in the Logistics Industry. *International Journal of Physical Distribution & Logistics Management*, 45(5), 459–485.
- Reysaş Logistics. (2020). Retrieved June 10, 2020, from <http://www.reysas.com/>
- Selviaridis, K., & Spring, M. (2007). Third Party Logistics: A Literature Review and Research Agenda. *The International Journal of Logistics Management*, 18(1), 125–150.
- Seyed-Alireza & Seyed-Alagheband. (2011). Logistics Parties. In R. Farahani, S. Rezapour, & L. Kardar (Eds.), *Logistics Operations and Management* (pp. 71–91). Elsevier Inc..
- Shi, Y., Waseem, R., & Shahid, H. M. (2020). Third-Party Logistics. In D. L. Stefano, D. P. Roberta, & D. Boban (Eds.), *Transportation Systems Analysis and Assessment*. IntechOpen.
- The American Marketing Association. (2017). Definitions of Marketing. Retrieved June 6, 2020, from <https://www.ama.org/the-definition-of-marketing-what-is-marketing/>
- The Council of Supply Chain Management Professionals. (2020). Logistics Management—Boundaries and Relationships. Retrieved June 6, 2020, from [https://cscmp.org/CSCMP/Educate/SCM\\_Definitions\\_and\\_Glossary\\_of\\_Terms.aspx](https://cscmp.org/CSCMP/Educate/SCM_Definitions_and_Glossary_of_Terms.aspx)
- The European Commission. (2001). Promoting a European Framework for Corporate Social Responsibility, Brussels.
- The European Commission. (2011). Communication from the Commission to the European Parliament, the council, the European economic and social committee and the committee of the regions: A renewed EU strategy 2011-14 for Corporate Social Responsibility (25.10.2011, 681 Final), Brussels.
- Thornton, L. M., Autry, C. W., Gligor, D. M., & Brik, A. B. (2013). Does Socially Responsible Supplier Selection Pay Off for Customer Firms? A Cross-cultural Comparison. *Journal of Supply Chain Management*, 49(3), 66–89.
- Wang, D. D., & Sueyoshi, T. (2018). Climate Change Mitigation Targets Set By Global Firms: Overview and Implications for Renewable Energy. *Renewable and Sustainable Energy Reviews*, 94, 386–398.

- Wheelen, T.L., Hunger, J.D., Hoffman, A.N., Bamford, C.E., & Kansal, P. (2018). *Strategic Management and Business Policy: Globalization, Innovation and Sustainability* (15th ed.). Pearson Education Limited.
- Winston, J., & Rajendran, M. (2020). A Study on Satisfaction of Business Owners with Respect to Logistics Services. *CLIO an Annual Interdisciplinary Journal of History*, 6(2), 220–230.



# 9

## Greenwashing: How Difficult It Is to Be Transparent to the Consumer—H&M Case Study

Gül Kaner

### 9.1 Introduction

In this chapter, the issue of greenwashing is focused within the framework of the fashion and textile industry, yet terms, results, and cases are relevant to other industries as well. Greenwashing is a side effect of what greening market offers (Parguel et al., 2015). It is defined as “disinformation disseminated by an organisation to present an environmentally responsible public image” (Babiak & Trendafilova, 2011; Siegel, 2009)—the term first time was used in 1986 by Jay Westervelt, a US-based environmentalist (Becker-Olsen & Potucek, 2013). Furthermore, it is stated that greenwashing is “the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service” (Parguel et al., 2015). Of late businesses have been misusing the terms such as *sustainable*, *eco-friendly*, and *green* and they are

---

G. Kaner (✉)

Department of Design, Technology and Society, Koç University,  
Istanbul, Turkey



pushing consumers to “go green” and “save the planet”. However, their strategies and brand messages fail when the company cannot fulfil claims of “being green”. This then negatively affects green trust and causes doubt in the consumers’ minds (Chen & Chang, 2013; Leonidou & Skarmeas, 2017).

Greenwashing frequently occurs in the fashion and textile industry with the emergence of strategies that are built on sustainable and green messages. Ethical issues such as the Rana Plaza factory collapse in Dhaka, Bangladesh, in 2013 (Khurana & Ricchetti, 2015) and environmental harms as chemical materials, carbon emission, and water pollution (Fletcher & Grose, 2012) that fashion and textile production causes have increased awareness of the fashion consumer (Woodside & Fine, 2019). Therefore, the consumer has been demanding fashion companies to be more ethically and environmentally responsible. In response to that, fashion companies have been creating marketing messages comprising of being green. However, ambiguously using green keywords and messages just as marketing tools and not expanding their scope to the other stages of the businesses cause false marketing strategies that end up as greenwashing. This lack of transparency harms the bond between the consumer and brand and also decreases the brand value. Therefore, a transparent, reassuring, and honest marketing strategy should be provided to communicate about every stage of production, distribution, sales, and consumption to build green businesses and green relations.

Regarding this background, this chapter documents a lexicon of commonly used green terms in the fashion and textile industry (Thomas, 2008) to be able to communicate to consumers with clear concepts. It exhibits the interpretation and misinterpretation of these green-related terms by consumers (Evans & Peirson-Smith, 2018). It provides the gap between consumer expectations and information that companies share (James & Montgomery, 2017). It also examines the case of H&M’s sustainable actions from its positive and negative aspects and relevance of the Fashion Revolutions Transparency Index to avoid greenwashing. Finally, it discusses how to engage all this literature and the consumer to build more transparent strategies to prevent greenwashing and provide a sustainable system in the fashion and textile industry, specifically of emerging economies. Emerging economies are “promising alternatives for existing hierarchical Western fashion and textile practices” (Black &

Delong, 2018). So, countries such as Kenya, Uruguay, Turkey, and India have the potential to become important creative capitals of the world. Creating green awareness in parallel to the emergence of new markets can aid sustainable practices to be permanent. Therefore, it is crucial to document the existing literature, cases, and examples to build efficient and trustworthy strategies for a greener future.

## 9.2 An Eco-lexicon of Green-Related Terms

Terms and concepts relevant to green are not as recent as expected. They have been used in marketing since the 1970s, which was a reflective era after the 1960s post-war acquisition of consumer goods and new technologies (Beard, 2008). However, the earliest and the most groundbreaking action taken by the companies in fashion, as Thomas (2008) argues, that was the eco-fashion movement presented by Esprit in November 1991 with their *Ecollection*. After the launch of this collection, raising awareness about ecologically produced goods, fashion industry, media, academia, and also the consumer has been more exposed to and interested in green issues covering environmental and ethical matters. However, especially after the Rana Plaza tragedy, which caused the death of 1132 people and the injuries of 2500 people in Bangladesh (Fletcher & Grose, 2012), green marketing strategies in fashion peaked. Such a boom in containing green messages of products and campaigns created a plethora of confusing and even misleading usage of terms as *sustainable*, *eco*, and *ethical*. Brands, media, social media users adopted these terms vaguely and interchangeably. To provide a guide for the meaning of concepts and their correct usages, Thomas gathered the most commonly used green-related terms and documented an eco-lexicon for scholars, brand specialists, editors, writers, as well as the consumer. She argues that contradictory meanings of terms confuse the consumers and lead them to avoid ecological behaviour. The consumer is still at a stage that “*learning and educating themselves*” (Thomas, 2008) about sustainable buying and living. Therefore, having a reference for sense-making of terms would bond the gap between brands and consumers. However, the lexicon should not be comprehended as the ultimate source of information. This is a reference that helps brands, content creators, and consumers to be

able to speak the same language when using these terms and make them aligned in this conversation. Thomas' eco-lexicon contains the terms and definitions below:

*Eco*: Short of ecology; the story of the interaction of people with their environment. (Concise Oxford Dictionary of Current English, 1995)

*Ethical*: It has a quasi-religious inference, in which ethical referred to philosophically guided actions and behaviors as determined by their impact on others. Thus, ethical fashion refers to the positive impact of a designer, a consumer choice, or method of production as experienced by workers, consumers, animals, society, and the environment.

*Environmental*: It is an adjective that refers to habitat, or the earth.

*Fair Trade*: Based on a philosophy and a method of trading with developing countries, it enables the growers and makers of goods to receive fair payment or a living wage. Fair trade used to be related to food products and craftwork, but it now includes fibers such as cotton.

*Green*: The term refers to a product or service identified positively with the environment, although it need not be verified. Similar to eco, it is a preface for environmental issues, products, organisations, and behaviors.

*Greenwash*: Paraphrased from the whitewash, or the cover-up of unpleasant environmental facts or actions, greenwash refers to a marketing ploy. It is often voiced in a scathing manner by organisations and individuals allied to the environmental movement, especially when describing policy or outcome implemented to divert or to assuage environmentalists' critique.

*Natural*: As terms, natural or organic are interchangeable and used to relate mainly fibers. Natural has no real credence here since the term refers to how the staples of the thread, or fiber came into existence. It does not necessarily infer that no chemicals (herbicides, or pesticides, or fungicides) were used in their propagation and growth.

*Organic*: Organic correctly relates to fibers and fabrics, specifically referring to the organic standard of Soil Association Certification Limited (OSA) that was established in 1973 in the United Kingdom. The standard means that the subject (cotton, for example) or fiber process has received its accreditation.

*Recycled:* When a garment is of no further use to the first owner, it is recycled, after which it may have a second life as secondhand/vintage clothing [or as new].

*Upcycled:* Upcycling is when discarded garments have their value increased through altering or customising. Similarly, it may be redeployed: altered, deconstructed or dyed, or customised and sold back into the clothing system.

*Downcycling:* is clothing that is transformed into rags, blankets, or fiber stuffing, which is the exit from the supply-chain or fashion design production loop.

*Sustainability:* The word, Sustainability is often used in a casual manner when, in fact, it could serve as a valuable umbrella term to identify proactive practices. The word appeared in the work on Our Common Future (Brundtland Report) in 1987 (World Commission on Environment and Development, 1987) and was defined as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”. A more contemporaneous interpretation of sustainability refers to both sustaining and contributing more than has been used.

Thomas’ lexicon constitutes a useful reference to construct clear communication between brands and consumers. However, it also reminds us how most of these terms are utilised inaccurately or illusively. They may also not respond to what consumer actually wants to know about. In the next part, it is documented whether these terms are understood correctly and how these terms are perceived by the consumer.

### 9.3 Consumer Perception of Green-Related Terms

Following the work of Thomas (2008), Peirson-Smith and Evans (2017) conducted a study about the consumer perception concerning misused green words of Thomas’ eco-lexicon. Their mixed-method research, consisting of surveys and focus group sessions, exhibits confusion and a lack of engagement regarding these terms. In the quantitative results of the

research, the respondents were asked to match the terms and their definitions in a questionnaire. The results show that *sustainability* (23%)<sup>1</sup> is the term that was the most mismatched to its meaning followed by *ethical* (28%). *Sustainability* was also matched with *greenwashing* with 5%. *Ethical*, *recycling*, and *green* were very diversely matched, which means that these terms are not clearly comprehended. The distinction between *recycled*, *upcycled*, and *downcycled* is not perceived either. *Fair trade* (88%) and *eco* (76%) were the most easily matched terms. These results indicate that a clear definition of these terms should be given to the consumer in order to explain the true features of green fashion products or methods. Labelling a garment or an accessory with any of these terms remains vague and does not demonstrate the procedure or the aim behind naming it. Brands that apply these green methods in their business models should be more definite and apprehensible.

In the qualitative section of Peirson-Smith and Evans' research, focus group participants highlighted a lack of information and transparency of brands and manufacturers about production procedures, consumption, and after use scenarios as recycling. It is mentioned that what happens after a consumer gives their products to *recycling* is unknown. This lack of information and transparency causes frustration and helplessness. Moreover, participants also consider fashion and *sustainability* as two contradictory things. *Sustainability* refers to conflicting meanings in the mind of the consumer. Therefore, it is mentioned as risky to use in brand-awareness raising campaigns. *Fair trade* and *eco* are the most recognised words. It is mentioned that these two terms are comprehended positively. The reason is *fair trade* certifications, and awareness has a considerably older history, and *eco* has positive connotations because of *ecological*. On the other hand, the words *ethical* and *organic* refer to negative connotations as uncertainty and disbelief. Respondents do not believe that a business can be *ethical* since it is expected to be profitable. Similarly, the *organic* term is perceived as not used with valid certifications. Therefore, it is a shallow term. "Lack of trust causes frustration in purchase" Peirson-Smith and Evans (2017) mention similar to what Thomas also

---

<sup>1</sup> Numbers indicate the correct matching percentages of the terms to their meanings.

highlights. *Organic, ethical, eco, green, or sustainable* products are considered more expensive than the ordinary options, in addition to the mistrust of these labels and terms, consumers are not willing to pay more for an uncertain product.

Interestingly, *greenwashing* does not exist in the discourse of consumers. However, their distrust and lack of transparency complain actually refer to what scholars, journalists, and researchers diagnose as *greenwashing*. This research documents that green messages that the brands aim to give to the consumer and what is comprehended by the consumer are not aligned. The terms are still perceived as complex, unclear, and contradictory. Therefore, more transparent and direct messages should be aligned with these terms. Alternatively, the messages should not even contain these terms. Brand strategies should contain clear explanations of a product's greenness; however, most brands' strategies are lacking this. What consumers mostly look for and what is actually shared by brands are further highlighted.

## 9.4 What Consumers Expect, What Brands Give

Another mixed-method study was conducted by James and Montgomery (2017) focusing on the gap between what consumers want to know about ethical and environmental issues and what actually brands provide to the consumer. The questionnaire asked respondents about three main reliability aspects. Firstly, information sources are ascertained. Top information sources respondents rely on about environmental and social aspects of garment supply chain are (1) campaigns and initiatives (80%), (2) media (71%), (3) social media (66%), and (4) word of mouth (58%). The least reliable source of information is chosen as advertising (30%). The second question is whether it is the responsibility of retailers to inform consumers or consumers to search for such information. Eighty-one per cent of respondents agreed that retailers should provide information about the garment supply chain concerning environmental and ethical issues. In the third question, respondents choose the type of

information that should be available on the online information resources are (1) supplier ethical standards (94%), (2) retailers code of conduct (72%), and (3) minimum wage (69%).

Qualitative results of the research contradict what consumers expect from brands. Five high-street retailers from clothing are taken as case studies. These companies' relevant representatives were interviewed, and their online information sources (i.e. website, micro-blog) were analysed. Three-degree information depth is looked for. The access to information about (1) supplier ethical standards, (2) factory lists, (3) code of conduct, (4) audit process details, (5) minimum wage, (6) freedom of association, and (7) supply chain transparency is investigated. Supply ethical transparency is open to access by 4/5 retailers, and code of conduct 3/5 of them. However minimum wage is provided by almost none of them with only two retailers providing very little details. Details about factory lists, minimum wage, and supply ethical standards are also shared with very little detail or none. James and Montgomery note that although most of these retailers frequently communicate with green messages in their online platforms, clear and specific information, numbers, and facts as issues above are not covered. Their communication remains vague or inaccessible, and they do not enclose specific information and numbers.

Retailers are the mediators between manufacturers and consumers. Globalised production conditions fractured the product design, production, and consumption processes into highly diversified territories. For example, a garment is ideated and designed in Europe, being produced in Turkey, transported overseas, and purchased and consumed in Australia. The global journey of a fashion product disconnects the bond between the manufacturer and the consumer. As the retailers are the mediator between manufacturer and consumer, it must be their responsibility to provide transparent information flow between these stakeholders and reconnect them to fulfil their green marketing claims. Therefore, responding to what consumers demand to know about should be shared by retailer brands to avoid greenwashing. Retailers should provide sustainable conditions for the planet and people in this way to build trust with the consumers. The next section studies H&M and Fashion Revolution about greenwashing and transparency dichotomy.

## 9.5 Case of H&M and Fashion Revolution

H&M Group is a Swedish clothing retail company founded in 1947. It operates in 74 countries with more than 5000 stores. It is the second-biggest clothing retailer after the Inditex Group consisting of Zara, Bershka, Massimo Dutti, Pull&Bear, and Stradivarius (Olanibu, 2018). Group's global operating profit in 2019 was US \$1.8 billion (O'Connell, 2020). H&M is one of the most recognised examples of fast fashion retailers. Fast fashion is a "*global trend that is characterised by the ability of fashion companies to respond quickly to fast-changing fashion trends and consumer tastes while maintaining low prices*" (Hall, 2018). The global fast fashion industry produces 1 billion garments annually. This causes 1.2 billion tonnes of CO<sub>2</sub> emission every year (7billionfor7sees.com, 2018). Being a fast fashion company creates an image that it is impossible to apply green practices and be sustainable. H&M is a retailer that is aware of this image and the impact of fast fashion on the environment and human life. Especially, after the Rana Plaza collapse, it shared a code of conduct to shift its business models into a more ethical and environmentally conscious direction. However, making statements about green promises also made it a more prominent target to be followed about its promises and has been accused of greenwashing about its green statements.

H&M launched a collection named *Conscious*, referring to sustainable practices for the first time in 2010. Since then, they launch a couple of *Conscious Collection* every year. However, the brand is being critiqued as launching a sustainable collection that fades circularly as a trend, instead of motivating consumers to sustain their existing clothes. Moreover, they are also under attack, on the one hand, over having a specific collection that is sustainable while, on the other hand, having most of the product range as ordinary fast fashion products which are not sustainable (Mondalek, 2020). In response to such critiques company regularly provides reports and updates its green commitments. The group commits to a 100% circular and renewable system with 100% renewable energy during their production by 2040 (Mondalek) and 100% recycled or sustainable material for all their products by 2030. They also provide a list of the manufacturers and providers in the product details page on their



websites. These details can also be reached by scanning the label of a product in-store through H&M mobile application. This is also responding to what James and Montgomery's research advised retailers to share.

Also, *Conscious Collection* was critiqued for being ambiguous about its level of sustainability. In 2019, the Norwegian Consumer Authority (CA) stated that H&M provides insufficient information about *Conscious Collection's* level of sustainability. CA mentioned that this misleads consumer and end ups as greenwashing. So, CA requested a clear definition of what *conscious* means in H&M standards (Brain, 2019). In response to the request of CA, H&M stated that they are "*pleased that the Norwegian Consumer Authority puts light on the marketing of sustainable alternatives, they are in dialogue with CA regarding better communicate their work about sustainability. They are glad that CA can help them to provide correct and clear information to the consumers since CA requires them to be precise enough not whether their products are sustainable or not*" (Hitti, 2019: 8).

Following this statement, in January 2020 H&M launched a new *Conscious Collection* containing new fabric technology as alternative biological materials and recycling methods. These new garments were produced by Pinatex material which is a leather-like fabric made from sturdy food wastage as pineapple leaves and orange peelings. This food waste-based material is considered highly valuable for alternative material usage in fashion and textile products. The collection also contains materials such as organic cotton, organic silk, and fabrics generated from recycled plastic. However, the materials of the Pinatex isn't appreciated by environmentalists when deeply looked into the numbers because food-based material also contains chemical additives. One square metre of Pinatex fabric requires 480 pineapple leaves. This wastes 16 pineapples because only longleaf fibres are usable. Moreover, Pinatex contains plastic and petroleum-based additives which are not bio-degradable (Gan, 2019). Though this is still a valuable improvement for the transition to biological materials, this attempt is also considered as greenwashing by some activists.

In addition to this, H&M has a clothing collection initiative for recycling textile and fashion waste into new materials. Consumers can bring their old clothes and receive a discount coupon to use in their next shopping. This initiative is criticised for being indeterminate that "*they don't go*

*into detail about the types of items they're recycling, how they're recycled, how they're produced, what the carbon footprint of these products is compared to their other ranges"* (Whiting, 2019). In response to the fogginess about the clothing recycling initiative, in 2020 spring, they started to use another new fabric called Circulose. It is made from upcycled textile and fashion waste with a method invented by Swedish start-up Renewcell. After the invention of this new type of fabric in 2014, H&M invested in the development of the Circulose. Circulose is made from "100% cotton recycled clothing and garment production waste" (Engle, 2020). In the collection of H&M "a Circulose/Viscose blend that utilises 50% Circulose sourced from upcycled cotton jean fabric and 50% viscose sourced from FSC-certified wood" (Engle). It was not mentioned whether these recycled fabrics are recycled with their collected textile waste; however, they aim to use this fabric for all their products by 2030.

Being in the spotlight and open to discussion about its sustainability level encourages H&M to invest more in this purpose and share more details about it. It's a collaborative approach. They involve and invest in start-ups and their new technologies as Renewcell. They also collaborate to share reports and procedures with civil initiatives as Fashion Revolution, which makes them more convincing and sincerer. For example, the retailer is listed as the most transparent fashion retailer in 2020 in Fashion Transparency Index.

## 9.6 Fashion Revolution: Fashion Transparency Index

Fashion Revolution is a non-profit global movement aiming to "*provide a fashion industry that conserves and restores the environment and values people over growth and profit*". It is founded after the Rana Plaza factory collapse and has started a movement to motivate consumers to force fashion retailers to answer who their manufacturers and suppliers are and what conditions the workers work in, whether they earn a salary below or above the living wage. For this purpose, they started a campaign called #WhoMadeMyClothes and made consumers ask retailers to be transparent about their production process. By following these actions, since

2016 they publish Fashion Transparency Index which is “*a tool to incentivise and push major brands to be more transparent and encourage them to disclose more information about their policies, practices and supply chain*”. The index defines transparency as “*the public disclosure of credible, comprehensive and comparable data and information about fashion’s supply chains, business practices and the impacts of these practices on workers, communities and the environment*”. The index comprises 220 indicators as animal welfare, biodiversity, chemicals, climate, due diligence, forced labour, freedom of association, gender equality, living wages, purchasing practices, supplier disclosure, waste and recycling, working conditions, and more. The criteria are listed as five top categories covering the matters as mentioned above.

*Policy and commitments:* brands’ social and environmental policies for both their own employees and workers in the supply chain, how these policies are implemented, how the company priorities issues, what goals it has in place and if they’re reporting annual progress.

*Governance:* who on the executive board has responsibility for social and environmental performance, how this is implemented, how social and environmental improvements are linked to employee, CEO and supplier performance, and whether the relevant department and person in charge can be easily be contacted by the public.

*Traceability:* brands to publish supplier lists at three levels: manufacturing, processing facilities and mills, and raw materials.

*Know, Show, Fix:* what brands disclose about their due diligence processes, how they assess suppliers against their policies, what are the results of these assessments, what do they do when problems are found, how workers can file complaints and how these are addressed.

*Spotlight issues:* what brands are doing to address forced labour, gender equality, living wages, freedom of association, waste, circularity, over-production, use of more sustainable materials, micro-plastics, deforestation, climate change and water use. (Fashion Revolution, 2020)

In 2020 transparency report H&M scored as the first with 73% out of 250 global fashion retailers. The group’s scores are policy and commitments 91%, governance 100%, traceability 77%, know, show, fix 56% (second highest in the list), and spotlight issues 63% (highest).

The index motivates fashion brands to publish more about their policies, and H&M is one of the most accessible brands. The index also documents that most of the brands in the list dump information and data deliberately. They repeat this information over various pages of their websites and their social media channels. They use terminologies with no specific and relevant data by only containing “filler and fluffy” words. The index report highlights that H&M shares logical and particular information by avoiding technical terminologies and romantic storytelling. The report also stresses that the index aided them to have constructive interaction with global retailers. The index and the Fashion Revolution as an initiative constitute a valuable reference for consumers, industry workers, researchers, and journalists as well as a crucial guideline for brands and retailers to aim to provide green promises and practices. Therefore, companies should be in conversation with such civil initiatives to confirm their transparent efforts.

## 9.7 Recommendations and Examples from Emerging Economies

France, Italy, the UK, and the USA, recently the Nordic Countries as Sweden and Denmark, are the world’s biggest fashion markets. The largest and most influential fashion shows are organised in the fashion capitals of these countries as Paris, Milan, London, New York, and Copenhagen. They also host the fashion houses of the avant-garde fashion designers of the world. In addition to these orthodox fashion centres, new fashion capitals are rising in the periphery of emerging economies. Turkey, China, India, Kenya, Brazil, and Indonesia are the countries that are organising fashion shows biannually and attracting the attention of international buyers with their talented designers. Although these countries used to be the manufacturer peripheries of the centre, the rising power of creative designers makes them valuable alternatives to their Western competitors by enhancing the value of local materials, methods, and labour. Most importantly, these markets have the opportunity of having the manufacturer, designer, retailer, and consumer in the same territory. Being closer to stakeholders of fashion rises the connection

between manufacturers, retailers, consumers, and other stakeholders. This is a very big advantage of emerging economies against greenwashing. To strengthen this bond between stakeholders, education, transparency, and inclusivity are key to avoid greenwashing. Literature about greenwashing in emerging economies lacks a detailed example to investigate in this chapter. However, there are successful business models in emerging economies which constitute examples as solutions to the risk of greenwashing. Next six themes are listed as a source of information to avoid greenwashing in emerging economies, and relevant examples are provided under the themes.

### 9.7.1 Educating Stakeholders

Literature (Evans & Peirson-Smith, 2018; Peirson-Smith & Evans, 2017; Thomas, 2008) indicated that fashion consumers may not know the real meanings of terms. Therefore, consumer education should be taken into consideration by companies. There is a growing middle class in emerging economies. This new target audience of brands have sophisticated taste, and they are globally connected with technology. They are aware of environmental and ethical matters around them and willing to learn more about it. Therefore, disclosing information, data, numbers, and fact as communicative purposes strengthens the bond between brand and the consumer.

Moreover, as literature indicate that “*brands themselves are not the only information sources about the green marketing messages*” (Lenne & Vandenbosch, 2017) fashion journalists, editors, magazines (Winge, 2008), digital news platforms and blogs, and social media (Reilly & Hynan, 2014; Rocamora, 2012) are very influential information sources about green matters and brand activities (Cervellon & Wernerfelt, 2012). Dictionaries and guidelines like Thomas’ should be written and distributed to clarify the terms used in green marketing and communication. The education of media can constitute a control mechanism over brands and manufacturers as well as being the messenger of their best practices. Therefore, in addition to educating the consumer, these stakeholders should also be educated by providing clear guides by authorities such as

scholars, initiatives as Fashion Revolution, Greenpeace, WWF, and so on. Workers and manufacturers are also the most important stakeholder of the product supply chain. Therefore, they should also be educated to improve their skills, local crafts, and methodologies about their worker rights, syndication systems, and memberships to unities.

### 9.7.2 Transparency

The aforementioned growing middle class with sophisticated taste and knowledge in emerging economies are also demanding transparent communication and messages in terms of sustainability. Rawlins (2009) listed three must-have issues for companies to be transparent to their consumers: companies (1) must present accurate, substantial, and useful information; (2) must listen to stakeholders to discover the information they need; and (3) must provide objective, balanced information about their activities and policies. Companies are obliged to provide an accurate source of information about their environmental acts to be transparent (Vos, 2009; Ramus & Montiel, 2005). It is also advised to share quantitative information about carbon “*emissions, water pollution, hazardous waste disposal, energy consumption, and greenhouse gas emissions*” (Etsy and Winston, 2006). Rawlins also highlights that companies should know what their target audience needs to know and provide it to them. The consumer wants to receive tangible information about the caring, washing, and long-lasting product. Recycling, up-cycling methods, stations, and organisation should be provided to be more convincing about such circular procedures. Making use of eco-lexicon in this conversation is valuable to use or avoid certain concepts in communication with consumers. For example, some terms such as *sustainable* need explanation as H&M case also showed with the ambiguity of its *Conscious Collection*.

It is a long-term and challenging journey. It requires to be precise in more than one aspect of sustainability. For example, organic production is only one aspect. Brands should be ethical and responsible for the environment, human, and animal health. Being precise means: do not only say *we are ethical* but say *100% of our workers receive a living wage more than the minimum*, document the amount of water consumed, water

polluted, and the amount of water cleaned after the process. In this way, companies can claim clear benefits for consumers which is more convincing to motivate green consumption (Evans & Peirson-Smith, 2018).

### 9.7.3 Inclusive Approaches as Participatory Design or Co-design

Fashion and textile products come into being by the participation of too many diversified stakeholders. These stakeholders take a role in distribution, diffusion, and adoption processes of fashion products; therefore, fashion is considered a system of institutions (Kawamura, 2018). Regarding the collective nature of fashion, green transparency should involve all these stakeholders in this process. Internal transparency between company departments, partners, and suppliers is crucial. Reliable information flow internally can aid to avoid greenwashing failures.

For external transparency, brands should be open to consumers, scholars, and initiatives such as Fashion Revolution and communicate to them about their data and procedures openly. Strengthening the bond between these stakeholders is highly valuable. This bond is separate in Western countries due to their fractured product supply chain, but emerging economies have the opportunity to build a strong bond between these stakeholders since they still contain factories and ateliers in their territories. Especially in the case of the fashion and textile industries, they are still not as disconnected from the consumer. On the other hand, emerging markets are also closer to local and traditional crafting methods of textile materials. So, they can apply inclusive approaches as participatory design and co-design with this advantage to apply greener production and consumption procedures. The participatory design aims that *“people who are affected by a decision or event should have an opportunity to influence it”* (Halskov & Hansen, 2014). This means that not only the designer and the consumer of a product or service but also other stakeholders, who might directly or indirectly influence the design (or product), should participate in the design process. It contains democratising the weak stakeholders against the powerful ones as in the case of factory workers against retailers. Participatory design approaches are preferred to provide

a democratic design environment not only for products and services but also for socio-political policies, healthcare, civil services, education, and more. In order to provide inclusivity, these approaches can be applied in the case of green marketing to prevent greenwashing. In this way, the consumer can be connected to not only the worker who makes her/his clothes but to all other stakeholders.

Considering the above-mentioned themes, emerging economies have three successful organisation and business models, which constitute solutions to greenwashing with their educating purposes, transparency, and inclusiveness.

The first example is Manos Del Uruguay, a cooperative business structure (Ash et al., 2004), operated and owned by small-scale artisans (Bruce, 2016). It was founded in the 1960s and has been a member of the World Fair Trade Organization since 2009 (Antak & Medvedev, 2018). In this collective business model, artisans' resources are gathered in the cooperative to access a bigger technical and production assistance, credibility, and global retail market. Manos del Uruguay also provides employment and artisanal skill set to rural women. For the local market, it has four franchise locations that are specifically selected to shorten the supply chains. It also produces for the global market for brands such as Stella McCartney which is famous for its ethical and transparent approaches in fashion. Apart from its transparency in production and sales, it also builds a bond between producer and consumer and a stakeholder network. In addition to its finished knitted products such as sweaters and blankets, consumers can also purchase the yarns and produce their own pieces. It is highlighted that this articulates feelings of a shared identity and sense of place in addition to a strong sense of respect for the value of handmade crafts (Daya, 2016).

The second example is the Ethical Fashion Initiative (EFI). EFI was founded in 2009 in Nairobi, Kenya. Too many talented leather artisans live in Nairobi. Simone Cipriani who used to work in the leather and footwear business then worked as a UN officer in Ethiopia, connecting Kenyan artisans with the global fashion industry in a transparent business model which provides mutual benefit. EFI is a cooperative of micro-producers that now also covers producers and designers from Ghana, Ethiopia, Nepal, Cambodia, and more. It provides ethical and



transparent supply chains in the fashion industry for brands such as Vivienne Westwood, Loewe, Camper, Stella McCartney, Adidas, Max&Co, Marina Rinaldi, and more. It also conducts an accelerator programme to prepare African fashion to become investment ready to grow its businesses and client portfolio (Ethical Fashion Initiative, 2020).

The third example is the Home-Based Production Project (HBPP) from Cambodia. Cambodia had a homeless problem that documents approximately 2000 children who lived alone in 2008 in the city of Phnom Penh where 2 million inhabitants exist. Those kids either live on the street because their parents died from illnesses related to poverty or were left by their parents who cannot take care of these children. Cambodia is also a country considered as the manufacturer of the fashion and textile industry. However, it has a growing middle class with sophisticated taste and environmental concerns. So, responsible fashion consumer segment has emerged in the country. HBPP aimed to link this fashion audience to the problem of homeless kids in the country (Medvedev, 2010). The HBPP enabled homeless Cambodians to afford permanent housing by producing from home and continue to take care of their children. The project helped 67 families and 220 children. People at home provided manufacturing by performing hand craftwork for the fashion designer of Cambodia. While the project engendered income and involved people towards a transparent business model, it also taught the principles of fair trade to the home producers. They were taught basic business and accounting skills to help them become self-sustaining. They were taught how to calculate profit margins and negotiate prices with suppliers of raw material and retailers. They also learned how to evaluate design ideas from a business point of view (Medvedev).

#### 9.7.4 Learning from the Consumer

Similar but not the same to inclusive approaches is to learn from the consumers. Contemporary consumers have numerous diversified platforms to interact with each other and brands. These platforms should be benefited to learn about their experience, opinions, needs, and desires. This is also valid for green consumption habits. By using these platforms,

it is possible to learn terms used to define sustainable products, how they relate to brands and products, what they do not understand, and what sort of help they need to avoid the blurriness in green discourse. Dictating consumer new concepts and habits with a top-down approach does not work with a contemporary demanding consumer profile. Bottom-up and inclusive approaches should be followed especially in a matter which concerns the planet, animals, and human beings.

### 9.7.5 Localisation of Terms

Providing clear sources of information is significant, but localisation of terms in diversified languages is also crucial. Translation of terms in Latin and Anglo-Saxon languages may be easier; however, emerging economies have different linguistic origins. Recent methods, materials, and procedures also emerge unconventional terms. So, localisation of these terms and providing significant references may help to avoid risky connotations. For example, the Green Party of Germany refers to an environmentally concerned political party while green capital in Turkey is an informal term used for people who utilise Islam religion to gain economic profit. Therefore, *çevre* (means environment) is a term used more frequently in Turkish brand communication.

### 9.7.6 Reliable Labelling Systems

Fair Trade, which began to provide sustainable and ethical trading conditions for developing countries, is perceived positive by the consumer as the literature indicates. One of the biggest reasons for that is fair trade has a faithful and transparent organisation behind it and a well-known label used by global brands such as Starbucks. Fair Trade consists of three regional networks covering farmers and workers in Africa and the Middle East, Asia and the Pacific, Latin America, and the Caribbean. According to a 2015 GlobeScan study of consumers in 15 countries, more than 50 percent of consumers are familiar with the Fair Trade logo and of those, 80 percent say they have a more positive perception of brands that carry

it (Fair Trade, 2015). However similar labelling systems and marks are more confusing and misleading in fashion and textile products. For example, organic textile certification Oeko-Tex “*guarantees that the textile or leather product has been manufactured using sustainable processes under socially responsible working conditions*” (Oeko-Tex, 2020). However, some retailers imitate similar logos to organic material usages and do not provide any specific details. Fair Trade and Oeko-Tex’s comprehensive and understandable labelling systems should be provided not only for textile material but also for ethical conditions as labour rights, post-purchase habits such as avoiding carbon emission and water pollution during the usage and caring of the product in emerging markets to educate consumers and other stakeholders.

Standardisation of such labels in emerging economies is highly crucial. In this way, education and guidance of stakeholders, transparent information flow, inclusivity, and best practices of green strategies can be achieved. Therefore, fundamental effort should be provided for development as well as the common usage of them.

## 9.8 Conclusion

This chapter investigated the case of greenwashing in the fashion and textile industry. It listed useful terms to be used in communication between brands and consumers to avoid greenwashing, provided a source of information about consumer perception regarding green activities of brands and the gap between brand supply and consumers demand. Additionally, it documented the case of H&M and Fashion Revolution to show the challenges and advantages of being transparent to stakeholders. Finally, it provided examples and a source of information comprising six themes to build transparent and sustainable relations with consumers and stakeholders in emerging economies. The education of stakeholders, transparency, and inclusivity are specifically discussed, and the advantage of emerging economies in this process is highlighted. Further research in the literature of greenwashing requires specific critical cases from emerging markets and their brands. As practices hopefully expand, transparency in green marketing can be accomplished.

## References

- 7 Billion for 7 Seas. (2018). Retrieved from <https://7billionfor7seas.com/fast-fashion-facts/>
- Antak, B., & Medvedev, K. (2018). Manos del Uruguay: Exploring the Inherent Tensions between Localism and the Global Craft Economy. *Fashion Practice*, 10(2), 196–212.
- Ash, S. R., Paula, S. W., Jay, A. V., & Alvaro, F. (2004). Manos Del Uruguay. *Journal of the International Academy for Case Studies*, 10(2), 11.
- Babiak, K., & Trendafilova, S. (2011). CSR and environmental responsibility: Motives and pressures to adopt green management practices. *Corporate Social Responsibility and Environmental Management*, 18(1), 11–24.
- Beard, N. D. (2008). The Branding of Ethical Fashion and the Consumer: A Luxury Niche or Mass-market Reality? *Fashion Theory*, 12(4), 447–467.
- Becker-Olsen, K., & Potucek, S. (2013). Greenwashing. In S. O. Idowu, N. Capaldi, L. Zu, & A. D. Gupta (Eds.), *Encyclopedia of Corporate Social Responsibility*. Springer.
- Black, S., & Delong, M. (2018). Perspectives on 10 Years of Fashion Practice. *Fashion Practice*, 10(3), 262–275.
- Brain, E. (2019). H&M Norway Called out for “Greenwashing” Conscious Collection Marketing. Retrieved from <https://hypebeast.com/2019/8/h-m-conscious-collection-greenwashing-sustainability-norwegian-consumer-authority>
- Bruce, A. (2016). The Legacy of Agrarian Reform in Latin America: Foundations of the Fair Trade Cooperative System. *Geography Compass*, 10(12), 485–498.
- Cervellon, M. C., & Shammas, L. (2013). The value of sustainable luxury in mature markets: A customer-based approach. *Journal of Corporate Citizenship*, 52, 90–101.
- Cervellon, M. C., & Wernerfelt, A.-S. (2012). Knowledge sharing among green fashion communities online. *Journal of Fashion Marketing Management*, 16(2), 176–192.
- Chen, Y. S., & Chang, C. H. (2013). Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk. *Journal of Business Ethics*, 114(3), 489–500.
- Concise Oxford Dictionary of Current English Ninth Edition. (1995). Della Thompson (ed.). Oxford: Clarendon Press.
- Daya, S. (2016). Ordinary Ethics and Craft Consumption: A Southern Perspective. *Geoforum*, 74, 128–135.

- Engle, E. (2020). H&M to Begin Selling Clothes Made From Sustainable “Circulose” Fabric. Retrieved from <https://hypebeast.com/2020/1/hm-sustainable-circulose-fabric>
- Ethical Fashion Initiative. (2020). Retrieved from <https://ethicalfashioninitiative.org>
- Etsy, D. C., & Winston, A. S. (2006). *Green to gold: How smart companies use environmental strategy to innovate, create value, and build competitive advantage*. New Haven, CT: Yale University Press.
- Evans, S., & Peirson-Smith, A. (2018). The sustainability word challenge Exploring consumer interpretations of frequently used words to promote sustainable fashion brand behaviors and imagery. *Journal of Fashion Marketing and Management*, 22(2), 252–269.
- Fair Trade. (2020). Retrieved from <https://www.fairtrade.net>
- Fashion Revolution, Fashion Transparency Index. (2020). UK. Retrieved from [https://issuu.com/fashionrevolution/docs/fr\\_fashiontransparencyindex2020?fr=sNmI5NzYxMDk0OA](https://issuu.com/fashionrevolution/docs/fr_fashiontransparencyindex2020?fr=sNmI5NzYxMDk0OA)
- Fletcher, K., & Grose, L. (2012). *Fashion & Sustainability Design For Change*. Laurence King Publishing Ltd.
- Gan, T. (2019). Sustainability or Greenwashing: A Guide to Calling Bullsh\*t on Fashion Brands’ Green Policies. Retrieved from <https://greenisthenewblack.com/sustainability-or-greenwashing/>
- Hall, J. (2018). Digital Kimono: Fast Fashion, Slow Fashion? *Fashion Theory*, 22(3), 283–307.
- Halskov, K., & Hansen, N. B. (2014). The diversity of participatory design research practice at PDC 2002–2012. *International Journal of Human-Computer Studies*, 74(2015), 81–92.
- Hitti, N. (2019). H&M called out for “greenwashing” in its Conscious fashion collection. Retrieved from <https://www.dezeen.com/2019/08/02/hm-norway-greenwashing-conscious-fashion-collection-news/>
- James, A. M., & Montgomery, B. (2017). Engaging the fashion consumer in a transparent business model. *International Journal of Fashion Design, Technology and Education*, 10(3), 287–299.
- Kawamura, Y. (2018). *Fashion-ology*. Berg.
- Khurana, K., & Ricchetti, M. (2015). Two decades of sustainable supply chain management in the fashion business, an appraisal. *Journal of Fashion Marketing and Management*, 20(1), 89–104.
- Lenne, O., & Vandenbosch, L. (2017). Media and sustainable apparel buying intention. *Journal of Fashion Marketing and Management*, 21(4), 483–498.

- Leonidou, C. N., & Skarmeas, D. (2017). Gray shades of green: Causes and consequences of green skepticism. *Journal of Business Ethics, 144*(2), 401–415.
- Medvedev, K. (2010). Designing from Dumpsters: Cambodians Start at Grassroots with Fashion. *Fashion Practice, 2*(2), 223–248.
- Mondalek, A. (2020). How to Avoid the Greenwashing Trap. Retrieved from <https://www.businessoffashion.com/articles/professional/greenwashing-fashion-sustainability-marketing>
- O’connell, L. (2020). Operating profit of the H&M Group worldwide 2009–2019. Retrieved from <https://www.statista.com/statistics/252191/profit-of-the-h-and-m-group-worldwide/>
- Oeko-Tex. (2020). Retrieved from: <https://www.oeko-tex.com/en/>
- Olanibu, S. (2018). Top Five Largest Fashion Retailers in the World. Retrieved from <https://www.tharawat-magazine.com/facts/top-5-largest-fashion-clothing-retailers-world/>
- Parguel, B., Benoît-Moreau, F., & Russell, C. A. (2015). Can evoking nature in advertising mislead consumers? The power of ‘executional greenwashing’. *International Journal of Advertising, 34*(1), 107–134.
- Peirson-Smith, A., & Evans, S. (2017). Fashioning Green Words and Eco Language: An Examination of the User Perception Gap for Fashion Brands Promoting Sustainable Practices. *Fashion Practice, 9*(3), 373–397.
- Ramus, C. A., & Montiel, I. (2005). When are corporate environmental policies a form of greenwashing? *Business Society, 44*(4), 377–414.
- Rawlins, B. (2009). Give the emperor a mirror: Toward developing a stakeholder measurement of organizational transparency. *Journal of Public Relations Research, 21*(1), 71–99.
- Reilly, A. H. & Hynan, K. A. (2014). Corporate communication, sustainability, and social media: it’s not easy (really) being green. *Business Horizons, 57*(6), 747–758.
- Rocamora, A. (2012). Hypertextuality and remediation in the fashion media: the case of fashion blogs. *Journalism Practice, 6*(1), 92–106.
- Siegel, D. S. (2009). Green management matters only if it yields more green: An economic/strategic perspective. *Academy of Management Perspectives, 23*(3), 5–16.
- Thomas, S. (2008). From “Green Blur” to Eco-fashion: Fashioning an Eco-lexicon. *Fashion Theory, 12*(4), 525–539.
- Vos, J. (2009). Actions speak louder than words: Greenwashing in corporate America. *Notre Dame Journal of Law, Ethics & Public Policy, 23*(1), 673–697.

- Whiting, T. (2019). 'Sustainable Style': The Truth Behind The Marketing of H&M's Conscious Collection. Retrieved from <https://medium.com/@tabitha.whiting/sustainable-style-the-truth-behind-the-marketing-of-h-ms-conscious-collection-805eb7432002>
- Winge, T. M. (2008). 'Green is the new black': celebrity chic and the 'green' commodity fetish. *Fashion Theory: The Journal of Dress, Body & Culture*, 12(4), 511–524.
- Woodside, A. G., & Fine, M. B. (2019). Sustainable fashion themes in luxury brand storytelling: The sustainability fashion research grid. *Journal of Global Fashion Marketing*, 10(2), 111–128.



# 10

## Green Marketing Orientations and Firm Performance in Nigeria: A Literature Review

Emmanuel Ajike and Adesoga Adefulu

### 10.1 Introduction

Firms are working to improve their performance in all ways possible. The success card is held by organisations that innovate and sustain performance. Assessing the performance of the organisation has always been of interest to management team and researchers. Firm performance is achieved through competitiveness, efficiency, and effectiveness of the organisational and environmental factors. In recent years, firm performance is suggestive of green marketing orientations emerging with the growing concern amongst the consumers for the marketing of products and services that are environmentally friendly and safe for the consumers besides personally meeting their needs in terms of value derived from the consumption of the products and services.

---

E. Ajike • A. Adefulu (✉)

Department of Business Administration and Marketing, Babcock University,  
Ilisan Remo, Nigeria

e-mail: [ajikee@babcock.edu.ng](mailto:ajikee@babcock.edu.ng); [adefulua@babcock.edu.ng](mailto:adefulua@babcock.edu.ng)



Consequently, there is a growing paradigm shift on the part of firms towards Green Marketing orientations. Most company efforts are geared towards green marketing orientations, thereby striving not only to meet consumers' needs but also to create market products that are presumed to be environmentally safe and friendly to the consumers. This includes promoting environmental attributes of products, re-designing existing products to meet consumers with environmental concerns.

Green marketing orientation fascinated ample discussion from practitioners, academia, and other business disciplines, such as marketing, management, public health, supply chain management, and information management (Chan et al., 2012). Despite the ubiquity of green/environmental narratives in the marketing literature remarkably, few empirical studies guide businesses to integrate and operationalise green marketing in everyday business practice (Fuentes, 2015).

The business world today is a world of competition, and preserving the environment has become necessary for any competitive organisation in the global market (Ajike et al., 2018). In order to keep up with the changing business environment and consumer needs, many organisations around the globe have been forced to adopt green marketing practices for firm performance and social responsibility issues (Hamdi et al., 2011). As a result, the challenges demanded by rapid globalisation, increased competition, technological developments, and acceleration of changes call for organisations to frequently review their sales and promotional strategy to keep up with the changing society, considering the fact that firm performance is achieved through competitiveness, efficiency, and effectiveness of the organisational and environmental factors. Thus, firm performance, sustenance of existing customers, and attracting new ones in recent times have become a critical factor in the world of business.

Studies dominated in the field of green marketing orientation focused on the understanding of how to accomplish the marketing of green products in an efficient and profitable manner (Ahlstrom et al., 2009; Ajike et al., 2018; Fuentes, 2015; Merilainen et al., 2000; Peattie & Crane, 2005; Zhu & Sarkis, 2016). Other studies focused on green consumer

and making a purchase decision (Baker et al., 2004; Burke et al., 1993; Carrigan & Attalla, 2001; Dickson, 2005; Harper & Makatouni, 2002; Leonidou et al., 2010; McDonald et al., 2012; McEachern & McClean, 2002; Megicks et al., 2012; Schroder & McEachern, 2004).

The quest to understand green marketing and green consumer behaviour for firm performance has become more challenging and interesting over the years. Numerous attempts have been made to really check consumer environmental knowledge, attitudes towards environmental quality, and environmentally friendly behaviour (Abu-Hasan, 2011; Bhate, 2001; Chan & Lau, 2000; Diamantopoulos et al., 2003; Dunlap & Scarce, 1991; Jackson, 2005; Laroche et al., 2001; Young et al., 2010). Green marketing orientation as a strategy is becoming globally accepted as key business strategies of the future, since consumers are concerned about their everyday habits and their impact on the environment (Kalafatis et al., 1999; Kristýna, 2011; McDaniel & Rylander, 1993), so also the organisations are concerned about their firm performance and business efficiency (Psomas et al., 2011; Chen et al., 2006; Johansson, 2002; Doran & Ryan, 2012; Ann et al., 2006; Hwee Nga, 2009).

Regardless of the potential and benefits associated with green marketing and the increase in consumer concern about green food, researchers (Doran & Ryan, 2012; Gleim et al., 2013; Gordon et al., 2011; Peattie & Crane, 2005) have expressed that green marketing has faced some challenges, resulting to false promises, misleading advertisements, unclear labels, and irregular performance (Hasan & Ali, 2015) which has increased the confusion among consumers, causing a decreasing number of green products launched, which (Pillai & Patil, 2012) reported as “greenwashing” in their study, that is a company’s product not performing as promised. Notwithstanding, the enormous quantity of research in the literature in relation to the aforementioned (Ajike et al., 2018; Ahlstrom et al., 2009; Fuentes, 2015; Merilainen et al., 2000; Peattie & Crane, 2005; Zhu & Sarkis, 2016), firm performance in relation to the impact of green marketing seems missing in Nigeria. However, further development in this regard is needed. Little is known on how green marketing is adopted by organisations. Specifically, given that the knowledge about the existence of green initiatives or practices in Nigeria is still lacking, the

study can add understanding to managers' knowledge to refine their marketing strategy, hence this study. In this study, we first review some key literature relating to green marketing strategy, firm performance, and the relationship between the two constructs.

## 10.2 Theoretical Foundation

The performance of any organisation rests on customer's value and the organisation competitive advantage over its competitors. Therefore, this study is anchored on resource-based view (RBV) theory and stakeholder theory. Resource-based view theory was proposed by Penrose and became popular in 1984 through Wernerfelt. RBV is a model that sees resources as key to superior firm performance and enables the firm to gain and sustain competitive advantage (Barney, 1991; Rothaermel, 2012) which later contributes to enhanced firm performance. The theory rests on three assumptions which are as follows: that firms seek to earn above-average returns; that resources are asymmetrically distributed across competing firms; and that differences in resources lead to differences in product or service characteristics that result in variations in firm performance.

According to Newbert (2008), firm performance is measured in terms of a firm's financial worth, which is the output from the effective and efficient use of the firm's resources and capabilities. The theory goes beyond the issues of strategy implementation and analysis of organisational processes. Barney (1991) stated that attaining and sustaining competitive advantage is a function of the resources the firm owned, and by the implementation of resources base theory, the capability of an enterprise as well as the capabilities of different external resources can be examined. According to Teece (2007), this theory promotes dynamic capabilities (Abbas & Abdel, 2018), which focus on the organisation's ability to operate in a rapidly changing environment. Helfat and Peteraf (Helfat & Peteraf, 2015) stated that resources only lead to better outcomes if enterprises are able to transform resources in capabilities, which will trigger positive performance in firms.

Grant (2007) states that the resources and capabilities of the firm form the foundation of the firm's long-term strategy because they provide the basic direction for a strategy and they are as well the primary sources of

profit for the firm as different combination of this resource and capability will produce different results for the firm. Leonidou et al. (2013b) also employed the RBV to illustrate the positive impacts that green marketing strategy have on firm performance. The study found that environmentally responsible organisation resources and capabilities serve as a good platform to develop new strategies, which can, in return, positively affect a firm's performance.

Richard Edward Freeman, who is credited with popularising the stakeholder concept, introduced the stakeholder approach to strategy in 1984 in his work titled *Strategic Management: A Stakeholder Approach* (Fontaine et al., 2006). The theory suggests that an organisation should not only consider financial returns for its stockholders, but must also organise and manage the various interests of all its stakeholders. Stakeholder theory holds that maximising the value of one's stakeholders will also maximise the value of the whole company. Stakeholder theory strives to show how to implement ethics and corporate social responsibility (CSR) in the organisation while also extending the areas of corporate responsibility somewhat further (Pedersen, 2006). A stakeholder in an organisation is any group or individual who can affect or is affected by the achievement of the organisation's objectives (Freeman, 1984).

According to the theory, managers are expected to work for the benefits of all the stakeholders (Deegan & Unerman, 2011). The normative view of stakeholder theory holds that all the stakeholders of an organisation have equal right to the company's information. Furthermore, it states that every organisation should be accountable to all its stakeholders, including information on social and environmental initiatives and performance (Ali & Rizwan, 2013).

### 10.3 Conceptual and Empirical Review of Green Marketing

Green marketing is, no doubt, a new focus and paradigm shift in business endeavours. It began in Europe in the early 1980s when certain products were found to be harmful to the environment and society as a whole. According to the American Marketing Association, green marketing is

the marketing of products that are presumed to be environment friendly and safe (Henion & Kinnear, 1976). It incorporates a broad spectrum of activities which include product modification, changes to the production process, and changes in packages as well as modifying advertising. Green marketing is the process of promoting products based on their environmental benefits. Products in this category may be environmentally friendly or they are produced in an atmosphere that is environmental friendly.

Some leaders in green marketing are Ben & Jerry's, Whole Foods, and Timberland. Timberland rates each of its shoes based on its environmental impact and equally redesigns its stores to just use 30% less energy.

The response to the heightened sense of consumer responsibility and their increasing tendency to make an environmentally friendly purchase (Haanpää, 2007), coupled with global interest in prevention, sustainability, and climate change increase, organisations are faced with the challenge of integrating environmental issues into their business affairs (Nidumolu et al., 2009). Green marketing in literature has also been called environmental marketing, sustainable marketing, social marketing, and ecological marketing. Polonsky (1994) sees it as a concept with three key components. According to Kinoti (2011), green marketing is the commitment by organisations focusing on environmentally friendly products and services, while Peattie (2001) earlier defined it as the marketing management processes responsible for determining, predicting, and satisfying the requirements of customers and society in a profitable and sustainable way.

According to Siegel (2009), green marketing is a strategic issue, and that both individual and organization are critical to understanding the antecedents and consequences, not only because being green makes a firm good, it also pays as posited in (Ambec & Lanoie, 2008; Russo & Fouts, 1997). Green marketing strategy over the years has garnered considerable academic attention across the globe (Abd Rahim et al., 2012; Chamorro & Bañegil, 2006; Chen et al., 2006; Fraj et al., 2011; Fuentes, 2015; Leonidou et al., 2013a; Martinez et al., 2011; Peattie & Crane, 2005; Polonsky, 1994; Hasan & Ali, 2015; Papadas et al., 2017; Zhu & Sarkis, 2016). Menon and Menon (1997) noted that an effective green marketing strategy should connote principles of enviropreneurial

marketing, which refers to “the process for formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm’s economic and social performance objectives”. This simply means that the performance of an organisation as well as the corporate reputation lies in the friendliness of the firm to its environment and placing value on consumers’ concern.

Polonsky (1994) stated that green marketing encompasses product modification, changes to the production method and process, packaging, and modifying advertising. Similarly, Peattie and Crane (2005) defined green marketing as “the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way”. They suggested that green marketing can impact the performance of businesses. Grant (2007) further suggested that green marketing objective is to educate and make people willing to go green because it influences changing the habit, lifestyle, and behaviour of the people. This is a result of the global interest in sustainability and the increase in climate change.

On the other hand, Ottman (2006) proposed that green marketing satisfies two objectives which are to improve environmental quality and customer satisfaction. Besides, Chamorro and Bañegil (2006) stated also that the objective of green marketing is to lessen the impact on the natural environment during the process of planning and implementations of the 4Ps of marketing—products or services, price, place, and promotion. These studies note that firms that implement green marketing strategies holistically send a strong message to their stakeholders that they care for their societal well-being and the ecosystem. More so, Lash and Wellington (2011) corroborated that companies must understand that green marketing creates both internal and external opportunity. Interestingly, Gordon et al. (2011) supported that green marketing includes from production process to post-purchasing service with the goal to balance the company’s profit and protect the environment as well. Subsequently, Sarkar (2012) also agreed that green marketing encompasses a broad range of activities, including product modification, changes to the production process, packaging changes, remodelling, and stylising, as well as modifying advertising.

Juwaheer et al. (2012) in their study recommended that effective green marketing strategy should be further developed on green branding, packaging, labelling, and advertising to create demand for the green products. This further strengthens the view that green marketing must be holistic in pursue of organisational performance. Mourad and Ahmed (2012) point out that the goal for green marketing is to create profit and maintain social responsibility. In line with the empirical contribution relating to green marketing orientation in literature, hence the term green marketing is defined as a holistic practice of a firm to the natural environment with a view of making a profit.

## 10.4 Conceptual and Empirical Review of Firm's Performance

The firm's performance is measured in the literature on the basis of financial, operational, consumer buying behaviour, and marketing capability of the firm (Morgan, 2012; Kushwaha and Sharma 2016), so also the integration of consumers' environmental marketing expectation in its operation leads to greater benefits and firm performance (Hasan & Ali, 2015). These perceived benefits are enhanced good corporate image (Ko et al., 2013), waste reduction, cost minimisation, increased customer satisfaction, increased productivity, better goodwill, increased market share, and of course profitability. In addition to this, literature shows that a firm can enhance its environmental performance and business efficiency by implementing the ISO 14001 Environmental management system (Psomias et al., 2011). Fuentes (2015) opines that green marketing is performative; it is about enacting a reality and presenting green products and services as meaningful alternatives to consumers. This simply means that any organisation aspiring to be competitive should engage in green marketing. It is believed that the investment of green product innovation and green process innovation contribute a positive impact on the businesses (Chen et al., 2006).

In a study Menon and Menon (1997) define outcomes or performance of green marketing as the creation of revenue by providing exchanges that

satisfy a firm's economic and social performance. This basically means that the benefits of loyalty, patronage, repurchase intention, and total purchase by consumers are dependent on the organisation's engagement in activities that will benefit consumers' environmental concerns, which should increase the firm's financial performance (Richey et al., 2014). Building corporate image (Ko et al., 2013) is strongly related to green marketing practices which will lead to the performance of the organisations in all capacity (Koo, Chung & Ryoo, 2013).

In a similar term, Jr. Green et al. (2012) opine that green marketing strategy alignment positively affects supply chain performance that positively influences the organisation's marketing performance, resulting in improved firms' financial performance. Similarly, the study by Johansson (2002) concluded that the product development success of any firm is measured by the organisational sales, market shares, and profitability. Additionally, Gholami et al. (2013) in their study on senior managers' perception on green information systems (IS) adoption and environmental performance posit that performance is defined by firms' low-cost operations, reduced energy consumption, and use of recycling waste in order to preserve and protect the environment. This position simply means that the benefits and advantage an organisation stands to achieve in the involvement of green marketing is superior financial performance, market performance, cost savings, marketing opportunities, and financial returns from the sales of green products (Eltayeb et al., 2010; Punitha & Mohd, 2013).

Globally, literature has shown that despite intensified threats of climate change, and mounting concern for environmental degradation, the misuse of natural resources has increased globally (Landon et al., 2018). This result has left many organisations no choice but to incorporate green practices into their green products, process, and services, which have become central business strategy driven by competitive pressures and customer satisfaction and requirements (Agbejule et al., 2004).

Excellent performance of an organisation is the ability to have a competitive advantage in the industry, which is critical (Eneizan et al., 2016). This means that organisation performance is tantamount to resources that are unique, invaluable, and difficult to imitate and replace (Holsapple & Wu, 2011). For profit-seeking firms, the solidness and enhancement in



financial circumstance guarantee their business practicality (Ibrar et al., 2019). Generally, it is evident from the extant literature that the overall firm performance of any organisation is positively influenced and associated with green marketing strategies.

## 10.5 Model of Interaction Between Green Marketing and Firm's Performance

Firm performance in Nigeria has a modest level of interaction with green marketing, otherwise called environmental marketing or eco-marketing. Apart from meeting the needs of the consumers and presenting environmentally friendly products to the consumers, it equally shows the business commitment to environmental sustainability. The business practices incorporate reducing waste in the operational system, thereby increasing the top and bottom line of the organisation, increasing the level of patronage, and increasing the level of demand for the organisation. The reduction in energy costs as part of business practice also improves business profitability. In distilling the interaction, green marketing will affect organisational performance in Nigeria. Firms in Nigeria must seize green opportunities to be effectively competitive and perform creditably. In this regard, firms must utilise recyclable materials in product production, use green energy like wind, reduce production waste to boost performance, use eco-friendly methods, reduce product packaging, and make products re-useable and recyclable, and finally buy and sell locally, thus reducing transportation energy.

The firm's performance is a continuing topic of interest and discussion among researchers and practitioners. Despite the significant impact of green and sustainable marketing strategies on the performance of a firm, little research empirically has been devoted to exploring its relationship (Menguc & Ozanne, 2005) particularly in Nigeria (Ajike et al., 2018). Organisational performance is the basic and fundamental concern for any organisation that aspires for competitive advantage and edge over its competitors (Alhamdi et al., 2019; Al-Salaymeh, 2013; Aymen et al., 2019; Eneizan et al., 2019; Khan et al., 2019).

The trend of sustainable purchase and consumption which in turn influences firm performance has not fully spread to Nigeria, as many of the organisations in Nigeria are still adamant on green issues and sustainability (Folasayo, 2019; Quick pulse, 2012; Olamuyi, 2012). Despite increasing ecological and green marketing awareness globally, research shows that merely about 5% of the Nigerian population is involved in sustainable purchase behaviour (Karatu & Mat, 2015). Although ecological factor is a key consumer issue, with 59% (Rettie et al., 2013) of consumers concerned worldwide, this is not reflected in consumer behaviour and firm performance. This is contrary to the study (Eneizan et al., 2020) which posits that ecologically dependable activities are tantamount to an increase in consumer loyalty and firm esteem and decrease in dangers to the organisation, and in this manner expanding firm valuations.

However, there has been a disappointing performance of green marketing initiatives (Rettie et al., 2013). While the previous study found that there is an extensive “green market” potential among consumers in developed countries (Folasayo, 2019), unfortunately, this seemingly widespread consumer interest in a socially responsible product is not reflected in consumer behaviour or market shares (Davis, 2013). The marketing literature demonstrates the benefits of seeking after green activities, for example, bigger monetary profits and piece of the overall industry, elevated levels of worker duty, expanded firm execution, and upgraded capacities (Eneizan et al., 2020).

Several authors have examined the concept of green marketing and its influence on outcomes such as purchase intention, business performance, corporate reputation, and brand trust (Hasan & Ali, 2015; Eneizan et al., 2020; Papadas et al., 2017; Fuentes, 2015; Zhu et al., 2016). From the aspect of purchase intention, to explore the relationship between green marketing, corporate image, and purchase intentions from a consumer perspective, Eunju et al. (2013) in their study found that corporate image consists of three factors: corporate reputation, social responsibility, and product image. In addition, it was found that green marketing has a direct effect on social responsibility and product image. Similarly, exploring the influence of green marketing on the corporate image in the hospitality sector, Rambalak et al. (2016) found that eco-friendly activities have a significant influence on the corporate image of the hotel, which

then leads to a significant positive impact on consumer's intention to visit the hotel and increase firm performance.

Furthermore, Hasan & Ali, (2015) studied the impact of green marketing strategy on the firms' performance in Malaysia and posit that green marketing, green innovation, and green promotion have a positive effect on the firms' performance. Poulakidas and Pau (2016) investigated the influence of three corporate reputation dimensions: product quality, social responsibility, and overall attitude towards corporate reputation on the buying intentions of biodiesel (which is considered an environmentally friendly commodity) buyers. The researchers found that corporate reputation for social responsibility has a significant positive influence on purchase intention. More recently, Eneizan et al. (2020); Eneizan et al. (2019)) found a significant and positive relationship between the green marketing sub-variables and firm performance. It is conclusively noted here that the firm's performance is associated with the practice of green marketing strategies which is vital to the company's success. Therefore, the performance of the firms and sustainability should remain the main focus of every organisation.

The study is coherent with the research studies by Baker and Sinkula (2005); Menguc and Ozanne (2005), which support the idea that green marketing strategy leads firms to improve their profitability. Findings from the research have also noted that consumers desire to be green and are beginning to seek out products and services that have an environmental impact. This simply means that consumers, especially with the ravaging impact of the COVID-19 pandemic, may soon consider this aspect when evaluating a product benefit and when deciding to purchase a product, and they may derive more value in the service quality if that firm places priority on its environmental focus. The resource-based view theory further posits that a firm can sustain a competitive advantage if it continually strives to meet and exceed (Hunt & Morgan, 1996). This study is expected to contribute empirically to the extant body of literature that focuses on green marketing strategy and the firm's financial and non-financial performance, and theoretically, the model sees resources as key to superior firm performance and enables the firm to gain and sustain competitive advantage.

## 10.6 Conclusion

Considering the threat of global warming and inevitable benefits for both consumers and firms to be green in practice, green marketing should become a norm rather than a mere exception. The various green opportunities properly harnessed and systemised into the firm's operation will improve the firm performance and competitiveness. In Nigeria, green marketing is barely at its infancy, and a great number of researches will still be done to showcase the maximum potentials of green marketing in Nigeria. The marketers also need to appreciate the role of green marketing and its implication to know that it is not just satisfying the consumers' needs that is utmost but doing so in an atmosphere that will guarantee their continued survival which will, in turn, guarantee successful business operations. To green one's business is no small feat, even though there are clear benefits and opportunities, there are equally challenges. One significant challenge faced by the green leaders is the increased demand for balancing trade-offs between the goals of the environment and making profits in the business.

**Recommendations** Based on the study, it is therefore recommended that business operations managers should embrace and task green opportunities to fast-track competitive advantage and utmost business performance. To guarantee the natural and societal security for the present and the group of people yet to come as well as the organisations yet to start up with long-lasting sustainability lies in the adoption of green marketing practices. Organisations should arise and find solutions to environmental difficulties ravaging the continent if they want to remain competitive. This study is based on the various facts and findings that are analysed by different reputable researchers. Literature has shown that implementing green marketing strategy improves firm performance by offering product differentiation, improves image and reputation, and increases the sales of green products, which differentiates firms from other competitors.

## References

- Abbas, B., & Abdel, H. A. (2018). Dynamic Capabilities Theory: Pinning Down a Shifting Concept. *Academy of Accounting and Financial Studies Journal*, 22(2), 1–16.
- Abd Rahim, M. H., Ahmad Zukni, R. Z. J., Ahmad, F., & Lyndon, N. (2012). Green Advertising and Environmentally Responsible Consumer Behavior: The Level of Awareness and Perception of Malaysian Youth. *Asian Social Science*, 8(5). <https://doi.org/10.5539/ass.v8n5p46>
- Abu-Hasan, Z. R. (2011). *Interpreting green consumer behaviour: An exploratory examination of Cardiff consumers*. Unpublished thesis of the consumer behaviour analysis research group Marketing and strategy section of Cardiff Business School Cardiff University.
- Agbejule, A., Fernandez, M., & D’Espiney, S. (2004). Approaches to environmental value analysis of products, processes, and services. *Management of Environmental Quality: An International Journal*, 15(2), 111–130. <https://doi.org/10.1108/14777830410523062>
- Ahlstrom, J., Macquet, M., & Richter, U. (2009). The lack of a critical perspective in environmental management research: Distortion in the scientific discourse. *Business Strategy and the Environment*, 18(2), 334–346.
- Ajike, E. O., Asikhia, O. U., & Ajike, S. O. (2018). Green Marketing and Consumer Buying behavior of Fast-moving consumer goods in Lagos State Nigeria. *Sokoto Journal of Management Science*, 17(4), 90–112.
- Alhamdi, M., Noor, R. M. A. S., Abdulla, M., Alnoor, A., & Eneizan, B. (2019). How does financial analysis influence the firm’s failure of Iraqi private sector? *The Journal of Social Sciences Research*, 5(9), 1321–1328.
- Ali, W., & Rizwan, M. (2013). Factors influencing corporate social and environmental disclosure practices in the developing countries: An institutional theoretical perspective. *International Journal of Asian Social Science*, 3(3), 590–609.
- Al-Salaymeh, M. (2013). The application of the concept of green marketing in the productive companies from the perspective of workers. *Interdisciplinary Journal of Contemporary Research in Business*, 4, 634–641.
- Ambec, S., & Lanoie, P. (2008). Does it pay to be green? A systematic overview. *Academy of Management Perspectives*, 22(4), 45–62.
- Ann, G. E., Zailani, S., & Abd Wahid, N. (2006). A study on the impact of environmental management system (EMS) certification towards firms’ per-

- formance in Malaysia. *Management of Environmental Quality: An International Journal*, 17(1), 73–93. <https://doi.org/10.1108/14777830610639459>
- Aymen, R. A., Alhamzah, A., & Bilal, E. (2019). A multi-level study of influence financial knowledge management small and medium enterprises. *Polish Journal of Management Studies*, 19, 21–31.
- Baker, S., Thompson, K. E., & Engelken, J. (2004). Mapping the values driving organic food choice: Germany vs the UK. *European Journal of Marketing*, 38(8), 995–1012.
- Baker, W. E., & Sinkula, J. M. (2005). Environmental marketing strategy and firm performance: Effects on new product performance and market share. *Journal of the Academy of Marketing Science*, 33, 461–475. <https://doi.org/10.1177/0092070305276119>
- Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17, 99–120.
- Bhate, S. (2001). One World, One Environment, One Vision: Are we close to achieving this? An exploratory study of consumer environmental behaviour across three countries. *Journal of Consumer Behaviour*, 2(2), 169–184.
- Burke, S. J., Millberg, S. J., & Smith, N. C. (1993). The role of ethical concerns in consumer purchase behaviour: Understanding alter-native processes. *Advances in Consumer Research*, 20, 119–122.
- Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer: Do ethics matter in purchase behaviour? *Journal of Consumer Marketing*, 18(7), 560–577.
- Chamorro, A., & Bañegil, T. M. (2006). Green Marketing Philosophy: A Study of Spanish Firms with Ecolabels. *Corporate Social Responsibility and Environmental Management*, 13, 11–24. <https://doi.org/10.1002/csr>
- Chan, H. K., He, H., & Wang, W. Y. C. (2012). Green marketing and its impact on supply chain management in industrial markets. *Industrial Marketing Management*, 41, 557–562.
- Chan, R. Y. K., & Lau, L. B. Y. (2000). Antecedents of green purchases: A survey in China. *Journal of Consumer Marketing*, 17(4), 338–357.
- Chen, Y., Lai, S., & Wen, C. (2006). The Influence of Green Innovation Performance on Corporate Advantage in Taiwan. *Journal of Business Ethics*, 67, 331–339. <https://doi.org/10.1007/s10551-006-9025-5>
- Davis, I. (2013). How (not) to market socially responsible products: A critical research evaluation. *Journal of Marketing Communications*, 19(2), 1–10.
- Deegan, C., & Unerman, J. (2011). *Financial Accounting Theory* (2nd ed.). McGraw-Hill.

- Diamantopoulos, A., Schlegelmilch, B. B., Sinkovics, R. R., & Bohlen, G. M. (2003). Can socio-demographics still play a role in profiling green consumers? A review of the evidence and an empirical investigation. *Journal of Business Research*, 56(6), 465–480.
- Dickson, M. A. (2005). Identifying and profiling apparel label user. In R. Harrison, T. Newholm, & D. Shaw (Eds.), *The ethical consumer* (pp. 155–171). Sage.
- Doran, J., & Ryan, G. (2012). Regulation and firm perception, eco-innovation and firm performance. *European Journal of Innovation Management*, 15(4), 421–441. <https://doi.org/10.1108/14601061211272367>
- Dunlap, R. E., & Scarce, R. (1991). The polls-poll trends: Environmental problems and protection. *Public Opinion Quarterly*, 55(4), 651–672.
- Eltayeb, T. K., Zailani, S., & Jayaraman, K. (2010). The examination on the drivers for green purchasing adoption among EMS 14001 certified companies in Malaysia. *Journal of Manufacturing Technology Management*, 21(2), 206–225. <https://doi.org/10.1108/17410381011014378>
- Eneizan, B. M., Alshare, F., Salaymeh, M., Enaizan, O., & Abdul-Latif, M. (2020). Green Marketing and Sustainability: Review Paper. *International Journal of Academic Management Science Research*, 4(4), 26–30.
- Eneizan, B. M., Matar, A., Al-Zawahreh, A., Alkhawaldeh, A. M., & Eneizan, O. (2019). Effects of green marketing strategy on firm financial performance. The moderating role of government policy. *Business and Economic Horizons*, 15(2), 304–324.
- Eneizan, B. M., Wahab, K. A., Zainon, M. S., & Obaid, T. F. (2016). Effects of green marketing strategy on the financial and non-financial performance of firms: A conceptual paper. *Arabian Journal of Business and Management Review*, 5(12), 14–27.
- Eunju, K., Kyung, H., & Young, K. (2013). Green marketing' functions in building corporate image in the retail setting. *Journal of Business Research*, 66(10), 1709–1715.
- Folasayo, A. M. (2019). Green Marketing and Perceived Corporate Image: A Study of Fast-Moving Consumer Goods in Lagos State Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 9(7), 202–224.
- Fontaine, C., Haarman, A., & Schmid, S. (2006). The Stakeholder Theory. <https://pdfs.semanticscholar.org/606a/828294dafd62aeda92a77bd7e5d0a39af56f.pdf>
- Fraj, E., Martínez, E., & Matute, J. (2011). Green marketing strategy and the firm's performance: The moderating role of environmental culture. *Journal of*

- Strategic Marketing*, 19(4), 339–355. <https://doi.org/10.1080/0965254X.2011.581382>
- Freeman, R. E. (1984). *Strategic Management: A stakeholder Approach*. Pitman.
- Fuentes, C. (2015). How green marketing works: Practices, materialities, and images. *Scandinavian Journal of Management*, 31(2), 192–205. <https://doi.org/10.1016/j.scaman.2014.11.004>
- Gholami, R., Sulaiman, A. B., Ramayah, T., & Molla, A. (2013). Senior managers' perception on green information systems (IS) adoption and environmental performance: Results from a field survey. *Information & Management*, 50(7), 431–438. <https://doi.org/10.1016/j.im.2013.01.004>
- Gleim, M. R., Smith, J. S., Andrews, D., & Cronin, J. J. (2013). Against the Green: A Multi-method Examination of the Barriers to Green Consumption. *Journal of Retailing*, 89(1), 44–61. <https://doi.org/10.1016/j.jretai.2012.10.001>
- Gordon, R., Carrigan, M., & Hastings, G. (2011). A framework for sustainable marketing. *Marketing Theory*, 11(2), 143–163. <https://doi.org/10.1177/1470593111403218>
- Grant, J. (2007). *The Green Marketing Manifesto* (1st ed.). John Wiley & Sons, Ltd.
- Green, K. W., Jr., Whitten, D., & Inman, R. A. (2012). Aligning marketing strategies throughout the supply chain to enhance performance. *Industrial Marketing Management*, 1008–1018.
- Haanpää, L. (2007). Consumers' green commitment: Indication of a postmodern lifestyle. *International Journal of Consumer Studies*, 31(5), 478–486.
- Hamdi, K., Ghaffari, F., & Afsordegan, A. (2011). Analysis of elements affecting youth green purchase behaviour (Case study in Tehran). *Journal of Marketing Management*, 12(6), 21–43.
- Harper, G. C., & Makatouni, A. (2002). Consumer perception of organic food production and farm animal welfare. *British Food Journal*, 104(3-5), 287–299.
- Hasan, Z., & Ali, N. A. (2015). The impact of green marketing strategy on the firm's performance in Malaysia. *Procedia – Social and Behavioral Sciences*, 172, 463–470.
- Helfat, C. E., & Peteraf, M. A. (2015). Managerial cognitive capabilities and the micro foundations of dynamic capabilities. *Strategic Management Journal*, 36(6), 831–850.
- Henion, K. E., & Kinnear, T. C. (1976). *Ecological Marketing*. American Marketing Association.



- Holsapple, C. W., & Wu, J. (2011). An elusive antecedent of superior firm performance: The knowledge management factor. *Decision Support Systems*, 52(1), 271–283.
- Hunt, S. D., & Morgan, R. M. (1996). The resource advantage theory of competition: Dynamics, path dependencies, and evolutionary dimensions. *Journal of Marketing*, 60, 107–114.
- Hwee Nga, J. K. (2009). The influence of ISO 14000 on firm performance. *Social Responsibility Journal*, 5(3), 408–422. <https://doi.org/10.1108/17471110910977311>
- Ibrar, A. M., Fareau, K. C., Asadullah, B., & Abdul, G. K. (2019). The Impact of Green Marketing on the Financial Performance of Textile Industry. *International Journal of Entrepreneurial Research*, 2(4), 16–20.
- Jackson, T. (2005). *Motivating sustainable consumption* [Online]. Retrieved July 24, 2020, from <http://www.c2p2online.com/documents/MotivatingSC.pdf>
- Johansson, G. (2002). Success factors for integration of ecodesign in product development. A review of state of the art. *Environmental Management and Health*, 13(1), 98–107. <https://doi.org/10.1108/09566160210417868>
- Juwaheer, T. D., Pudaruth, S., & Noyaux, M. M. E. (2012). Analysing the impact of green marketing strategies on consumer purchasing patterns in Mauritius. *World Journal of Entrepreneurship, Management and Sustainable Development*, 8(1), 36–59. <https://doi.org/10.1108/20425961211221615>
- Kalafatis, S., Pollard, M., East, R., & Tsogas, M. (1999). Green Marketing and Ajzen's Theory of Planned Behaviour: A Cross-market Examination. *Journal of Consumer Marketing*, 16(5), 441–460.
- Karatu, V. M. H., & Mat, N. K. N. (2015). Predictors of green purchase intention in Nigeria: The mediating role of environmental consciousness. *American Journal of Economics*, 5(2), 291–302.
- Khan, F., Arman, T., & Eneizan, B. (2019). Impact of Corporate Governance Characteristics on Banks Performance. *International Journal of Academic Management Science Research*, 3(8), 1–7.
- Kinoti, M. W. (2011). Green marketing intervention strategies and sustainable development: A conceptual paper. *International Journal of Business and Social Science*, 2(23), 263.
- Ko, E., Hwang, Y. K., & Kim, E. Y. (2013). Green marketing' functions in building corporate image in the retail setting. *Journal of Business Research*, 66, 1709–1715.

- Koo, C., Chung, N., & Ryoo, S. Y. (2013). How does ecological responsibility affect manufacturing firms' environmental and economic performance? *Total Quality Management & Business Excellence*, 25(9–10), 1171–1189.
- Kristýna, O. (2011). *Intention to Buy Organic Food among Consumers in the Czech Republic*. Unpublished thesis of the Department of Economics and Business Administration, Faculty of Economics and Social Science, University of Agder. Retrieved from <https://uia.brage.unit.no/uia-xmlui/bitstream/handle/11250/135628/BE-501%202011%20spring%20Master%20thesis%20Kristyna%20Olivova.pdf?sequence=1>
- Kushwaha, G. S., & Sharma, N. K. (2016). Green initiatives: A step towards sustainable development and firm's performance in the automobile industry. *Journal of Cleaner Production*, 121, 116–129.
- Landon, A., Woosnam, K. M., & Boley, B. B. (2018). Modeling the psychological antecedents to tourists' pro-sustainable behaviors: An application of the value-belief-norm model. *Journal of Sustainable Tourism*, 26(6), 957–972.
- Laroche, M., Bergero, J., & Barbarot-Forleo, G. (2001). Targeting Consumers who are Willing to Pay More for Environmentally Friendly Products. *Journal of Consumer Marketing*, 18(6), 503–520.
- Lash, J., & Wellington. (2011). Competitive advantage on a warming planet. *Harvard Business Review*, 85(3), 211–238.
- Leonidou, C. N., Katsikeas, C. S., & Morgan, N. A. (2013a). “Greening” the marketing mix: Do firms do it and does it pay off? *Journal of the Academy of Marketing Science*, 41, 151–170. <https://doi.org/10.1007/s11747-012-0317-2>
- Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A., & Zeriti, A. (2013b). Resources and capabilities as drivers of hotel environmental marketing strategy: Implications for competitive advantage and performance. *Tourism Management*, 35, 94–110.
- Leonidou, L. C., Leonidou, C. N., & Kvasova, O. (2010). Antecedents and outcomes of consumer environmentally friendly attitudes and behaviour. *Journal of Marketing Management*, 26(13–14), 1319–1344.
- Martinez, J. D., Ramirez, E., Cronin, J. J., Gleim, M. R., & Smith, J. S. (2011). Green marketing strategies: An examination of stakeholders and the opportunities they present. *Journal of the Academy of Marketing Science*, 39, 158–174. <https://doi.org/10.1007/s11747-010-0227-0>
- McDaniel, S. W., & Rylander, D. H. (1993). Strategic Green Marketing. *The Journal of Consumer Marketing*, 10(3), 4–11.

- McDonald, S., Oates, C. J., Alevizou, P. J., Young, C. W., & Hwang, K. (2012). Individual strategies for sustainable consumption. *Journal of Marketing Management*, 28(3–4), 445–468.
- McEachern, M. G., & McClean, P. (2002). Organic purchasing motivations and attitudes: Are they ethical? *International Journal of Consumer Studies*, 26(2), 85–92.
- Megicks, P., Memery, J., & Angell, R. J. (2012). Understanding local food shopping: Unpacking the ethical dimension. *Journal of Marketing Management*, 28(3–4), 264–289.
- Menguc, B., & Ozanne, L. K. (2005). Challenges of the green imperative: A natural resource-based approach of the environmental orientation–business performance relationship. *Journal of Business Research*, 48, 430–438.
- Menon, A., & Menon, A. (1997). Enviropreneurial marketing strategy: The emergence of corporate environmentalism as market strategy. *The Journal of Marketing*, 61, 51–67.
- Merilainen, S., Moisander, J., & Pesonen, S. (2000). The masculine mindset of environmental management and green marketing. *Business Strategy and the Environment*, 9(3), 151–162.
- Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 102–119.
- Mourad, M., & Ahmed, Y. S. E. (2012). Perception of green brand in an emerging innovative market. *European Journal of Innovation Management*, 15(4), 2012. <https://doi.org/10.1108/14601061211272402>
- Newbert, S. L. (2008). Value, rareness, competitive advantage, and performance: A conceptual-level empirical investigation of the resource-based view of the firm. *Strategic Management Journal*, 29(7), 745–768.
- Nidumolu, R., Prahalad, C., & Rangaswami, M. (2009). Why sustainability is now the key driver of innovation. *Harvard Business Review*, 87, 57–64.
- Olamuyi, E. (2012). Preparing Nigerian Market for Green Products. *National Mirror*. 29/3.2013. Retrieved 7/09/2017.
- Ottman, J. A. (2006). Removing the Barriers. *In Business*, 26(1), 31.
- Papadas, K. K., Avlonitis, G. J., & Carrigan, M. (2017). Green marketing orientation: Conceptualisation, scale development and validation. *Journal of Business Research*, 80, 236–246. <https://doi.org/10.1016/j.jbusres.2017.05.024>
- Peattie, K. (2001). Towards sustainability: The third age of green marketing. *Marketing Review*, 2(2), 129–146.

- Peattie, K., & Crane, A. (2005). Green marketing: Legend, myth, farce or prophesy? *Qualitative Market Research*, 8(4), 357–370.
- Pedersen, E. R. (2006). Making corporate social responsibility (CSR) operable: How companies translate stakeholder dialogue into practice. *Business and Society Review*, 111(2), 137–163.
- Pillai, B. S., & Patil, K. P. (2012). Green marketing. *International Journal of Research in Commerce and Management*, 3(7), 64–75.
- Polonsky, M. J. (1994). An introduction to green marketing. *Electronic Green Journal*, 1(2), 1091. <https://doi.org/10.1016/j.neuron.2011.12.010>
- Poulakidas, A., & Pau, D. (2016). The influence of corporate reputation on preference for biodiesel supplier. *Corporate Reputation Review*, 19(4), 331–344.
- Psomas, E. L., Fotopoulos, C. V., & Kafetzopoulos, D. P. (2011). Motives, difficulties and benefits in implementing the ISO 14001 Environmental Management System. *Management of Environmental Quality: An International Journal*, 22(4), 502–521. <https://doi.org/10.1108/14777831111136090>
- Punitha, S., & Mohd, R. R. (2013). Corporate Social Responsibility: Adoption of Green Marketing by Hotel Industry. *Asian Social Science*, 9(17), 79–93. <https://doi.org/10.5539/ass.v9n17p79>
- Quick Pulse. (2012). Green Buying – An Exploration of “Green” Consumer Trends. <https://blog.euromonitor.com/quick-pulse-green-buying-an-exploration-of-green-consumer-trends/>
- Rambalak, Y., Abhishek, K. D., & Govind, S. P. (2016). The influence of green marketing functions in building corporate image. *International Journal of Contemporary Hospitality Management*, 28(10), 2178–2196.
- Rettie, R., Burchell, K., & Barnham, C. (2013). Social normalisation: Using marketing to make green normal. *Journal of Consumer Behavior*, 13(1), 9–17.
- Richey, R. G., Musgrove, C. F., Gillison, S. T., & Gabler, C. B. (2014). The effects of environmental focus and program timing on green marketing performance and the moderating role of resource commitment. *Industrial Marketing Management*, 43, 1246–1257.
- Rothaermel, F. T. (2012). *Strategic Management: Concepts and Cases* (p. 5). McGraw-Hill/Irwin.
- Russo, M. V., & Fouts, P. A. (1997). A Resource-Based perspective on corporate environmental performance and profitability. *The Academy of Management Journal*, 40(3), 534–559.
- Sarkar, A. N. (2012). Green Branding and Eco-innovations for Evolving a Sustainable Green Marketing Strategy. *Asia-Pacific Journal of Management*

- Research and Innovation*, 8(1), 39–58. <https://doi.org/10.1177/2319510X1200800106>
- Schroder, M. J. A., & McEachern, M. G. (2004). Consumer value conflicts surrounding ethical food purchase decisions: A focus on animal welfare. *International Journal of Consumer Studies*, 28(2), 168–177.
- Siegel, D. (2009). Green management matters only if it yields more green: An Economic/Strategic perspective. *The Academy of Management Perspectives*, 23(3), 5–16.
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and micro foundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350.
- Young, W., Hwang, K., McDonald, S., & Oates, C. J. (2010). Sustainable consumption: Green consumer behaviour when purchasing products. *Sustainable Development*, 18(1), 20–31.
- Zhu, Q., & Sarkis, J. (2016). Green marketing and consumerism as social change in china: Analysing the literature. *International Journal of Production Economics*, 181, 289–302. <https://doi.org/10.1016/j.ijpe.2016.06.006>

# **Part IV**

## **Opportunities, Challenges and Implications**



# 11

## Opportunities and Challenges of Green Marketing

Daniel Ofori

### 11.1 Introduction

There are debates on whether firms can “do well” while “doing good”. In other words, can business meet their economic goals while promoting societal well-being and environmental quality? Marketing has been revolutionised during the past decade through the influence of information and communication technologies, changing consumer lifestyles, globalisation of supply chains, and increased regulatory and environmental expectations from stakeholders. This has come at the backdrop of rising concerns over global warming and the sustainability risk of finite resources. Investment into a green economy is one way Africa and other developing regions can achieve economic growth that is sustainable, inclusive and transformative (Cwele, 2019). Against this backdrop, green marketing is a business response to achieving the universal goal of sustainable development. Through green marketing, businesses can meet the

---

D. Ofori (✉)

Department of Marketing and Supply Chain Management, School of Business, University of Cape Coast, Cape Coast, Ghana

rising demand for resource-efficient and environmentally friendly products. Emerging economies are well positioned to leverage the unexploited opportunities and the budding market available for green products, to address stakeholder concerns and to create a unique selling position through green branding.

Green marketing has evolved as a sustainable marketing strategy, with major contributions by Freeman (1984), Peattie (1992), Kangis (1992), Ottman (1993) and Polonsky (1994) to the theory and practice of green marketing. Although the concept was mostly defined as an approach to responding to marketing ills of society, increasing interest in sustainable development, expectation of stakeholders and performance measurement models such as Triple Bottom Line (TBL; Elkington, 1999) and Sustainability Reporting (Bell & Morse, 2012) have resuscitated a new paradigm for green marketing. The marketing concept has been described by authors such as Kangis (1992), Polonsky (1994, 2011), Peattie (1995, 2001) and Cronin et al. (2010) as the integration of marketing with consumer well-being, public policy and the concern for the biophysical environment. From the year 2000 and beyond, green marketing orientation improved towards new product development, product modifications and changes in the production process (Hasan et al., 2019). According to the American Marketing Association (2013), green marketing is the marketing of environmentally safe products, taking into consideration product design, reengineering the production process, packaging, distribution and advertising. Ottman, Stafford and Hartman (2006) defined green products as those that protect or enhance the natural environment by conserving energy and/or resources while reducing or eliminating pollution and waste.

Over the years, businesses have adopted an ad hoc approach to the adoption of green marketing in their value chain—a practice that is a reflection of the absence of a clear definition, scope and general acceptance by all stakeholders (Papadas et al., 2017). Increasing attention towards sustainable development opens a new window of opportunity for companies to rebrand their value chain and leverage increasing market share for green products. Polonsky (2011) and Moravcikova et al., (2017) believe that firms' micro marketing decisions must be seen in the light of broader socio-economic goals, by reconceptualising green marketing as a



transformational tool. Green marketing is not merely about going for environment-friendly production and processes; rather, it also extends to the promotion of responsible consumption and disposal of products.

There are opportunities for such sustainable initiatives and practices by businesses. Accordingly, this chapter aims to appraise the green marketing opportunities presented by emerging economies and the associated challenges. Second, the chapter explains some benefits in the form of cost savings and differential advantages for firms. Finally, the chapter explores some policy and managerial implications for promoting green marketing. The chapter adopts a literature review approach and refers to green marketing initiatives in some emerging economies and the lessons for other firms and industries.

## **11.2 Opportunities for Green Marketing: Focus on Emerging Economies**

Opportunities lie at the heart of entrepreneurship, business development and economic growth. Emerging economies have been touted as destinations for low-cost production and a wider market base for green products. Discussed in this subsection are insights into some opportunities driving firms to adopt green marketing in emerging economies.

### **11.2.1 Promotion of Sustainable Development in Developing Countries**

The development agenda of the United Nations places emphasis on a shift from the traditional concept of development to sustainable development, because it is seen as a better approach to dealing with climate change, economic disparities, social inequalities and environmental protection (Sachs et al., 2019). Generally, emerging markets lag behind developed economies in the fight against extreme poverty, access to good health and education, weak governance and institutions. With just a decade left to achieve the Sustainable Development Goals (SDGs), development partners have mostly targeted sustainable solutions that propel

growth towards a greener economy and accelerate actions towards the attainment of the SDGs.

These solutions include the scaling up of financial resources and technical expertise to support the existing capacities of developing economies. A lot of green businesses have benefited from financial and technical assistance, especially those in developing economies (UNEP, 2017). Small businesses in countries such as Ghana, Burkina Faso, Mauritius, Uganda, Kenya and South Africa have benefited from technical and financial assistance to leapfrog capacities in manufacturing, eco-tourism, green energy, integrated waste management, tourism and agriculture (UNEP, 2017). As actions are scaled up towards Agenda 2030, businesses that stand to gain are those modelled around green and circular economy.

### 11.2.2 Supportive Government Policies

The promotion of a green economy was one of the key thematic areas of discussion during the United Nations Conference on Sustained Development, popularly called “Rio+20” and beyond. There was a strong call for partnership among member countries, as governments committed to policies that present opportunities to successfully adopt and implement green marketing initiatives. So far, some green policies have been developed and implemented in some countries (World Bank, 2017). While some of these policies have attracted public-private partnerships, others entirely depend on the innovative capacities of the private sector to drive implementation. The role of government support, through financing and the appropriate investment in infrastructure, is necessary to facilitate a greener economy (Cwele, 2019; Ike, 2019). Green growth policies should go hand in hand with the required financial support.

On that note, availability and access to both public and private sector investment is critical. Brazil, for example, requires financial institutions to prioritise loan portfolio towards green businesses (World Bank, 2017), and, as a result, companies seeking financial support must produce an environmental audit report. In China, green financing has played a major role in the country’s sustainability policies. China has dedicated green credit lines that provide financial support for cultivation and emission

reduction projects (Gu & Zhou, 2020). In South Africa, the Integrated Resource Plan is a 10-year energy plan, by which the government is committed to the development of renewable energy sources from wind and solar, and reducing the country's reliance on coal by 2030 (Ngounou, 2019). Apart from financing schemes, creating the right environment for green marketing requires policies that help businesses save or earn money for implementing sustainable business practices. Policies such as eco-labelling, green certification, industry codes of conduct and environmental performance disclosures can play an important role. Mishra and Sharma (2010) also add that governments can encourage firms to adopt green marketing by enacting policies that protect consumers against environmentally unfriendly consumption.

Latin America and the Caribbean have diverse socio-cultural and wide economic disparities. Countries in this region have witnessed severe infrastructural damage and loss of livelihood due to climate change (Gonzalez Diez et al., 2014). To mitigate the impact of climate change, the region has set up the Inter-American Development Bank (IDB) Group to help provide resources required to promote and implement climate change and sustainable development projects among member countries. From 2011 to 2017, IDB has devoted a total amount of US \$16.5 billion to climate financing towards decarbonisation. In 2016, it targeted an increase of 30% in climate change financing by the end of 2020. Due to commitment to policies to mitigate the impact of climate change, and to ensure food security, the region has witnessed innovation in clean energy, green transportation and climate-smart agricultural practices.

### 11.2.3 Rich Natural Resource, Cultural and Biodiversity

The statement "Africa is not poor" has been part of several speeches of great pan-African leaders who championed the course for African Unity. The continent is blessed with rich biodiversity, water resources, mineral and oil deposits, and favourable factor conditions. Different resources are found in different parts of the continent. Besides, it is a continent full of

adventure, with unique cultural heritage. There is a potential for green businesses to leverage the worsening environmental situations to provide eco-friendly solutions that all stakeholders will endorse and patronise (Prakash & Pathak, 2016; Tan et al., 2019; Yarimoglu & Binboga, 2019).

Asia, and in particular, China, is described as the world's top producer and supplier of rare earth elements (Reuters, 2019). Rare earth elements are integral to the manufacture of telecommunication, modern electronic and electrical equipment (Cole et al., 2016). Sustainable management of the planet's resources is critical to the achievement of sustainable development goal (SDG) number 12—responsible consumption and production. Asia-Pacific accounts for about 50% of global materials consumption, yet produces 32% of the world's economic output, making it the most resource-intensive region (OECD, 2018). Hence, there is an opportunity to improve resource efficiency in the region. Studies by Miyamoto (2021) and Lukman et al. (2016) show a strong link between resource efficiency gains, human capital development and access to basic infrastructure. As a result, economies such as China, India and Taiwan are putting in place the right support to encourage green business development.

#### 11.2.4 Source of Competitive Advantage

The Natural Resource-Based View and Resource-Based View Theories collectively refer to the building of distinctive capabilities from firms' internal and external resources. While the Resource-Based View emphasises internal resources, valuable and costly to imitate, as a source of competitive advantage, the Natural Resource-Based View Theory emphasises that firms do not only derive competitive advantage from internal capabilities, but its relationship with the natural environment could also serve as a source of competitive advantage. Firms are constrained by forces external to the business. According to Hart (1995), the Resource-Based View ignores the constraints imposed on the firm by the biophysical environment.

Commitment to the natural environment drives firms to develop innovative ways to enhance their efficiency, and gain operational and market-related benefits through green marketing (Chen & Chang, 2013;

Chen, 2008, 2011). Competitive advantage has been the core of discourse in the strategy and marketing management literature. The most referred model of competitive advantage is by Michael Porter (1980, 1985), who identified the concepts of cost leadership and differentiation as two main sources of competitive advantage. Cost leadership entails leveraging internal efficiencies and economies of large-scale production to compete on lower prices, usually below the industry average. Differentiation strategy creates products that provide unique features drawing brand loyalty and premium pricing.

Going green can be a source of both cost and differential advantages. Firms can realise cost savings, reduce their exposure to regulatory and resource risks, and drive their innovative capabilities to stay ahead of the competition (Maziriri, 2020). Green marketing can help companies reduce operating and production costs, especially where firms demonstrate commitment towards resource-efficient processes. For example, the use of renewable energy sources, recycled waste for product packaging, eco-transport modes and warehousing can lower operational costs. Marks & Spencer, a multinational, committed to green marketing initiatives such as reducing and using recycled materials for packaging realised net business benefits of \$148 million in 2012, which climbed up to \$225 million in 2015 (Marks & Spencer, 2016). Such initiative helped Marks & Spencer spend less on their packaging, create a positive environmental image and improved product positioning. Besides, cost savings can come from tax credits granted as a motivation for firms to leapfrog towards sustainable business practices. It must be noted that initial investments can be steep because resource-efficient and energy-saving processes require continuous improvement in research and innovation to realise such benefits.

Establishing a green brand is an intangible asset that distinguishes a firm from other competitors. Green marketing, as a source of differential advantage, is gaining prominence in the hospitality (Chung, 2020; Yadav, Dokania, & Pathak, 2016) and automobile industry (Wang et al., 2018). The hotel industry consumes a lot of resources including energy and water to provide the desired experience to its guests. In the hospitality industry, differential advantage based on green service offerings is reflected in green slogans such as Hilton's "We Care", Accor's "Earth Guest",

Kimpton's "EarthCare" and Fairmont's "Green Partnership" (Mensah, 2013). By offering comfort and recreational experience, eco-hotels, as they are popularly called, do not only create short-term financial gains but globally recognised environmentally-friendly brands in the industry (Zhang et al., 2020).

In the automobile industry, there is a high demand for fuel-efficient cars, and as a result, this has sparked competition among automobile manufacturers to control the market for fuel-efficient and electric cars. Yet, Toyota has been able to differentiate itself since the development of the Prius model in 1997. The model has won several awards and has been ranked ahead of other similar eco-friendly cars (Toyota Australia, 2010). The pressure to remain competitive and unique has forced other car manufacturers to incorporate technologies that adapt to various driving conditions such as heavy traffic situations. Competitive advantage comes from cost savings, less exposure to regulatory and compliance risks, research and innovation, and improvement in a company's reputation.

### **11.2.5 Health Consciousness and Increasing Green Consumerism**

Across the globe, it is estimated that 82% of consumers prefer green products to conventional ones (Tinne, 2013), thereby positioning the green market as a growing attractive market segment. Aware of climate change effects, negative environmental practices on health and the recent outbreak of COVID-19, which has claimed many lives and disrupted the global supply chain, the post-COVID consumer is expected to be health-conscious. Besides, studies such as Kautish et al. (2019) and Wei et al. (2018) reveal that consumers are becoming more environmentally conscious. According to the World Health Organisation (WHO), most people who were victims were those with various underlying conditions and weak immune system.

Subsequently, in collaboration with various health bodies, WHO recommended a healthy lifestyle, proper consumption practices and self-protection as major tools to protect oneself against infectious diseases like COVID-19. The consumption of healthy food products is very

important as a strong immune system is critical during a global outbreak of infectious diseases. This places responsibility on food and personal care product manufacturers to consider the health and environmental impact of what they churn out as value to the consumer. Accordingly, businesses that understand these times could leverage internal capabilities on healthy portions to provide green marketing solutions to meet consumers' needs.

Changing consumption lifestyle towards more sustainable products or service unearths the importance of green marketing. To take advantage of emerging green segments based on varied needs, it is important to understand who green consumers are and the factors influencing their purchase decisions and behaviour. Accordingly, consumer behaviour studies in green marketing have aimed at the identification of green consumer segments, factors impacting green purchase (Kautish et al., 2019; Pham et al., 2019; Tan et al., 2019), decision-making process and willingness to pay (Peattie, 2001; Wei et al., 2018). As literacy levels continue to rise, the tendency of elites upholding green products or service is promising (Laroche et al., 2001). Further, some studies (Mohanraj & Karthikeyan, 2017; Prakash & Pathak, 2016) have also shown that willingness to pay a premium price for green products is gaining prominence among consumers in emerging economies.

### 11.2.6 Corporate Social Responsibility Tool

Over the years, corporate social responsibility (CSR) has become an important contributor to corporate financial objective (Wang & Sarkis, 2017). It focused on the contribution of business to making society a better place for its stakeholders. Businesses have approached corporate social responsibility from diverse perspectives (McWilliams et al., 2006). Some entities felt that their ultimate responsibility was to create wealth for shareholders. Milton Friedman, a major contributor to this view, declares that "the business of business is business". According to this view, engaging in any other activity other than what the business is mandated to do constitutes a diversion of resources (Friedman, 1970). On the other hand, Freeman (1984) thinks that businesses should not only create wealth for shareholders but also show concern for societal well-being. As

a stakeholder, the society and the businesses are interdependent: the business depends on society for resources and the downstream demand, while the society depends on business for employment, investment in infrastructure and contribution to economic growth. Giddings et al. (2002) describe the environment, society and economy as connected entities.

In the era of sustainable development, the paradigm has shifted within the past decade towards a strategic approach as argued by Kotler and Lee (2005), because of the emphasis on environmental and ethical decisions of businesses. In developing economies, where poverty and income inequalities are widespread, with relaxed business regulations, the practice of corporate social responsibility (CSR) has been and continues to play a crucial role. The CSR approach allows companies to integrate social and environmental concerns into the conduct of their business and set the tone for businesses to recognise the opportunities that come with protecting the human, natural and economic environment of the people in the communities in which they operate (Singh et al., 2012).

Kotler and Lee (2005) recognising the substantial investment in CSR described it as taking a strategic dimension that could be fully integrated into macro marketing activities. One major objective of macro marketing is about value creation for the economy and society as a whole. Accordingly, the adoption of green marketing practice bridges the gap between the two opposing views of CSR, by providing an opportunity for firms to integrate social citizenship, environmental stewardship and shareholder value creation into their macro marketing activities. Therefore, while firms are contributing to the quality of the environment, demand created for green products yields long-term benefits such as customer loyalty, green brand positioning and profitability (Chung, 2020; Papadas et al., 2018; Zhang et al., 2020).



### 11.3 Green Marketing Practice and Lessons for Other Developing Economies

There are a number of firms that have taken advantage of sustainable development in an attempt to better satisfy the need of their consumers. The practice of green marketing spans across the value chain: from resource consumption, production and distribution to safe product disposal. There are various levels of adoption of green practices.

1. In Ghana, Solar Taxi Limited is offering eco-transport solutions by harnessing renewable energy from the sun and using it to power vehicles.
2. Again, there is the promotion of biomass waste-based green energy commercialisation among small-scale agro-processors in sub-Saharan African countries.
3. The increasing production of single-use disposable plastic coupled with limited infrastructure to manage plastic waste has become a challenge for most emerging economies. Nevertheless, some firms like Nelplast Ghana Limited has exploited the opportunity by converting plastic waste into pavement blocks and other plastic products for industrial and domestic use.
4. In the agricultural sector, waste from food and faecal matter is processed into fertiliser to boost crop production.
5. In Uganda, NutriFood Tech, a nutrition-sensitive food-processing firm, is pioneering the production of probiotic fermented foods.
6. Amazóniko, a company in Bogotá, uses innovative technology to educate and ease the recycling process. Through its digital platform, the enterprise educates app users with a comprehensive recycling toolkit and organises easy waste collections.
7. Ghana Bamboo Bikes takes advantage of the abundant raw bamboo materials in Ghana to manufacture high-quality bamboo bikes suitable for export markets.
8. Some firms are minimising hard-to-decompose packaging such as polythene bags to those that can decompose such as paper bags or those made from recycled waste.

9. In Ghana, AEA Packaging produces paper bags for packaging. The company launched a campaign to discourage the use of plastic bags to save the environment.
10. McDonald's replaced its clam-shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion (Hume, 1991).
11. Xerox introduced a "high-quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.
12. The sale of refillable water containers with easily accessible dispensers is described as a sustainable approach to reducing plastic pollution. Although, mostly sold on a small scale, developing affordable options to meet the average pocket is an opportunity to contribute immensely towards reducing plastic pollution.

While some firms are mainly green business by their model, others are moving from traditional marketing by adopting some form of green practices in their value chain. Others are constrained by forces within and outside the firm. Challenges of green marketing adoption are discussed in the next section.

## 11.4 Challenges of Green Marketing

Green marketing adoption challenges are mostly caused by a lack of a common and coordinated action plan among stakeholders. Unlike other global challenges such as terrorism and global health risks, the environment has been perceived as a common good and so little effort at the global front to take a unified stance against environmental destruction and climate change. Some challenges of green marketing identified include government commitment, challenges within the firms and consumer uncertainty about green products.

### 11.4.1 Challenges from Government

Governments are a central force in the agenda for sustainable development. The government brings to the table policies, regulations, laws and leadership, and catalyses initiatives that promote sustainable development (Van der Waladt, 2016). In 2015, at the UN Sustainable Development Summit, where 193 countries committed to 17 Sustainable Development Goals (SDGs) and 169 targets, the national government played a pivotal role in setting the sustainable development agenda. While some governments have achieved substantial progress through market-based instruments such as carbon and congestion taxes, others are doing their best to provide the needed leadership, commitment and regulatory environment. The limited role played by some governments is undermined by the short-term interest of political leaders, focus on power, misaligned policy priorities and the absence of collaboration among national leaders (Bowen et al., 2017).

The biophysical environment is interconnected. For example, pollution produced in one country affects other citizens in other countries. While similar collaborations exist among financial and economic systems such as monetary and trade unions, yet some national governments have not realised the need to collaborate for sustainable development in the same way (Polonsky, 2011). Again, political parties come into power to form governments mostly with short-term interest that will guarantee their stay in power. The politicisation of policies has been a bane to the development of most developing economies. Polonsky (2011) further pointed out that while there are rating agencies that assess governments' risk levels for borrowing, no such ratings exist for governments' sustainability performance, simply because short-term financial and economic performance always take precedence over environmental risk with long-term negative impact.

### 11.4.2 Challenges Within the Firms

In any economic exchange, the firm's role is to offer value in the marketplace while creating value for its shareholders (owners). Apart from that,

society depends on firms for continuous employment and good conditions of service. Firms face competing business expectations: achieving economic value on the one hand and integrating societal goals and the natural environment into the overall strategy, on the other hand. Performance assessment has been solely on profitability, so the bottom-line for firms is to select positive net present value projects that will yield immediate returns to satisfy shareholders. Although some attempts have been made at employing multi-dimensional performance measurement based on profit, people and the planet, a model popularly referred to as the Triple Bottom Line (TBL) (Elkington, 1989), they eventually fall back on financial measures (Norman & MacDonald, 2004). Even financial incentives in the form of bonuses for the key management team are mostly determined based on profit (Noja et al., 2020). The biophysical environment has not been recognised as a stakeholder to be represented on the board, for example.

Society has not adjusted its values to fully endorse social and environmental performance and reconsider how firms should be assessed. As individuals, we have contributed to this model of the economic system, and as members of the organisation, attitudinal change is necessary. Also, firms face operational difficulties in modifying the marketing mix and adopting the right segmentation, targeting, positioning and differentiation strategy (Kotler & Armstrong, 2014). Essentially, price, product, place and promotion elements must be modified, as indicated by Dangelico and Vocalelli (2017). Building green into the value chain requires a life cycle assessment from product design, development, production, promotion, selling, consumption and disposal (Hasan et al., 2019). Firms that fail to recognise “green” as a means to an end most often falsely portray themselves as environmentally friendly, a phenomenon referred to as “greenwashing” (Delmas & Burbano, 2011). Firms that consciously build a corporate culture considering the environment are most likely to record better operational and green marketing performance (Fraj et al., 2011) and can amass better competitive strength than rivals in green market segments (Moravcikova et al., 2017).

### 11.4.3 Consumers' Uncertainty About Green Products

Consumers, as economic agents, are rational and therefore seek to maximise their utility by comparing benefits and costs (Plottu & Plottu, 2007). Such comparison is made without recourse to cost or benefit to the natural environment. For example, among some tribes and religious groups, consumption patterns are strongly linked to cultural norms and belief systems (Bailey & Sood, 1993; Minton et al., 2018). Also, some consumers have the perception that green or environmentally friendly products are inferior. These beliefs and misconception influence their attitude towards the purchase or use of these products (Pham et al., 2019). Again, with limited information, consumers face difficulty integrating future outcomes and consequences of their decision-making. Environmental problems need to be re-echoed into the purchasing decision-making box of the consumer. This will also mean breaking certain cultural beliefs and social norms that do not promote sustainable consumption practices.

Again, the consumer faces a gap between immediate green behaviour and the perceived long-term effect on the natural environment. Libcap (2008) explains that the environment is a shared space, so no one individual is incentivised to protect it. Consequently, we are made to believe that the earth and its resources are inexhaustible, so individual consumption practices could not destroy the entire planet. Coupled with the belief that global warming and climate change are being overemphasised (Whitmarsh, 2011), the consumer may discount any potential danger associated with the impact of environmental crises. Suppose the consumer does not see his or her actions in the light of the collective outcome of similar behaviour, green marketing efforts could be in jeopardy. This is because the individual may not appreciate the difference his or her contribution can bring to the natural environment and therefore will not patronise products that contribute to the quality of the biophysical environment.

#### 11.4.4 Limited Green Financing and Investment Opportunities

Funding is incidental to any local, national, regional and global sustainable development action. Sustainable financing and investments are critical to achieving the SDGs (Kapur, 2016). The World Economic Forum on Green Investment report (2013), estimated that US \$0.7 trillion per year was needed as an additional investment to meet the demand for clean energy and climate-smart infrastructure. Today, twice this amount is needed to combat climate change. Propelling research and innovation towards green product development requires access to available funds earmarked to support green business development (Al Breiki & Nobanee, 2019). Due to high uncertainty within the green business sectors, and the absence of historical records of returns on investment in green businesses, investors are somewhat reluctant to provide funding for firms in the industry. This is understandable as every investor seeks to maximise his/her returns and, as a result, is largely reluctant to invest in sectors with no clear market potential.

Interestingly, sustainable practices have been found as an alternative business strategy to generate income (Bodhanwala & Bodhanwala, 2019), especially for corporate entities, by reducing costs through resource efficiency and cleaner production practices (Mohanty, 2012). This is backed by the Waste-to-Resource and the Dynamic Capabilities Theories. Usually, firms that have seen their stock price rise are those that adopt some form of environmental management practices such as using recycled materials for packaging. For example, Yadav, Han, and Rho (2016) found that investors perceive increasing environmental performance as positive news which leads to significant positive standardised cumulative abnormal returns than competitors that did not embark on any environmental initiative or unchanged environmental performance.

The availability of adequate financing requires a partnership between government and private sector investors, who embrace the idea of sustainability. Governments, especially in developing countries, are also limited in financial resources as their public expenditure usually outruns their income. The alternative has been to seek external assistance from

donor partners. It is argued that going green is associated with high investment yet low initial returns. However, taking a long-term view, and the changing perception of consumers, coupled with a high willingness to pay for green products, investment in such ventures will prove worthwhile in the long term (Chang et al., 2012; Risalvato, Venezia & Maggio, 2019).

## 11.5 The Way Forward and Implication for Green Business

### 11.5.1 A Tripartite Approach

The Environmental Management Paradigm proposes a coordinated approach to promoting a green economy. Polonsky (2011) proposes a multi-stakeholder perspective that brings together governments, firms and consumers critical to promoting “green” in the exchange process. Sustainable development requires an integrated and balanced response to ecological health, economic welfare and social empowerment. Consumers need continuous education on the impact of consumption on environmental quality, so they can modify their behaviour accordingly. Attitudinal change and behaviour modification could be supported by market-based instruments such as the provision of incentives and making it more rewarding to modify consumption practices towards green.

Firms need to understand the changing consumer needs and redefine the value creation process towards what consumers want. For example, during the purchase of Coca-Cola in a returnable bottle, the consumer is only entitled to the content because he or she only pays for the drink. The bottle only serves as a temporary package, while the drink gets consumed. More recently, Samsung decided to eliminate chargers on some of its high-end models because consumers did not require new chargers to replace functioning ones. If consumers can be encouraged to give less attention to features that do not necessarily add value, identification of what satisfy could save useful resources and avoid needless packaging and add-ons that do not provide any value to the consumer. Green products

should be made more desirable and appealing to consumers. As policy-makers, the government must provide an enabling environment, the right leadership and commitment towards sustainable actions that will attract both local and foreign investments. Initiatives at the macro level could propel a green economy with private sector participation. Regional collaboration is also an effective tool for developing region-specific actions towards a greener economy.

### **11.5.2 Green Marketing Mix**

Green marketing shares the elements of traditional marketing: marketing mix and marketing strategy, within the overall goal of sustainable development. Achieving competitive advantage through green marketing entails segmentation, targeting, positioning and differentiation (STPD) (Kotler & Armstrong, 2014). Firms have to approach green marketing in the same way they would do in traditional marketing, bearing in mind the change in focus (Dangelico & Vocalelli, 2017). Green consumers may share certain consumption values and environmental norms that distinguish them from others. Firms should also make conscious efforts to get transformed by building a positive image and differentiation based on green marketing and not just churning out green products, bearing in mind that consumers are more willing to buy green products from green companies. Accordingly, Dangelico and Vocalelli (2017) recommend that firms pay attention to green brand positioning rather than green product positioning.

## **11.6 Green Marketing Implications for Emerging Economies**

Green marketing strategies remain relevant to the attainment of sustainable communities, responsible consumption and production, good health and well-being, among others (Amoako et al., 2020). Described as the fastest-growing market, emerging economies are embracing the new green economy paradigm. Consequently, governments, through green



growth policies, institutions and political commitment, are positioning their markets as a springboard for building competitive industries and green market destinations. The environment is ripe for business models and innovations that contribute to a greener economy within the sustainable development agenda. Countries in sub-Saharan Africa, especially, are endowed with opportunities towards the advancement of a green economy. Similarly, firms promoting various levels of green practices in their value chains should benefit from low costs of doing business, increased profits and competitive advantage through differentiation. As the market for green products matures in developed economies, emerging markets, characterised by a heterogeneous and growing youthful population, are well positioned to attract firms redefining their product design, pricing, packaging, promotion and distribution strategies to align with the growing green paradigm in emerging economies.

## 11.7 Conclusion

Social and economic well-being depends on the quality of our environment. Nevertheless, the desire to meet social and economic needs, fuelled by innovative marketing strategies, has contributed to the current environmental crises. Our environment is under pressure, evidenced by climate change and natural disasters. Sustainable consumption and production are a catalyst for continuous socio-economic development. This chapter provided insights into opportunities and challenges for green marketing, as sustainable consumption and production practice, with a focus on emerging economies. Green marketing yields a competitive advantage through positioning strategies while serving as a channel to demonstrate social responsibility.

Promotion of sustainable development, health consciousness, government support and rich natural resources are other budding opportunities for green business development. Beyond these opportunities, green businesses will have to overcome challenges posed by little commitment from the government, and limited green financing opportunities. Given the interconnected nature of the biophysical environment, environmental actions cannot be limited to countries, as is the case currently. Finally,

lack of awareness creation, limited knowledge of the impact of consumption practices and understanding of green marketing by firms and consumers can also be a stumbling block. Green marketing should be seen as a means to an end and not an end itself; so firms adopting green marketing must realign their corporate strategy and value chain with the environment in mind.

## References

- Al Breiki, M., & Nobanee, H. (2019). The Role of Financial Management in Promoting Sustainable Business Practices and Development. *SSRN*. <https://doi.org/10.2139/ssrn.3472404>
- American Marketing Association. (2013). Definition of marketing. <http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx?sq=definition>
- Amoako, G. K., Dzogbenuku, R. K., Doe, J., & Adjaison, G. K. (2020). Green Marketing and the SDGs: Emerging Market Perspective. *Marketing Intelligence & Planning*. <https://doi.org/10.1108/MIP-11-2018-0543>
- Bailey, J. M., & Sood, J. (1993). The Effects of Religious Affiliation on Consumer Behaviour: A Preliminary Investigation. *Journal of Managerial Issues*, 328–352.
- Bell, S., & Morse, S. (2012). *Sustainability Indicators: Measuring the Immeasurable?* Routledge.
- Bodhanwala, S., & Bodhanwala, R. (2019). Relationship Between Sustainable and Responsible Investing and Returns: A Global Evidence. *Social Responsibility Journal*, 16(4).
- Bowen, K. J., Cradock-Henry, N. A., Koch, F., Patterson, J., Häyhä, T., Vogt, J., & Barbi, F. (2017). Implementing the “Sustainable Development Goals”: Towards Addressing Three Key Governance Challenges—Collective Action, Trade-Offs, and Accountability. *Current Opinion in Environmental Sustainability*, 26, 90–96.
- Chang, C. E., Nelson, W. A., & Witte, H. D. (2012). Do Green Mutual Funds Perform Well? *Management Research Review*, 8(35).
- Chen, Y. S. (2008). The Driver of Green Innovation and Green Image – Green Core Competence. *Journal of Business Ethics*, 81(3), 531–543.
- Chen, Y. S. (2011). Green Organisational Identity: Sources and Consequence. *Management Decision*, 49(3), 384–404.

- Chen, Y. S., & Chang, C. H. (2013). Greenwash and green trust: The mediation effects of green consumer confusion and green perceived risk. *Journal of business ethics*, 114(3), 489–500.
- Chung, K. C. (2020). Green Marketing Orientation: Achieving Sustainable Development in Green Hotel Management Green Marketing Orientation: Achieving Sustainable. *Journal of Hospitality Marketing & Management*, 29(2), 1–17. <https://doi.org/10.1080/19368623.2020.1693471>
- Cole, C., Cooper, T., & Gnanapragasam, A. (2016). Extending Product Lifetimes Through WEEE Reuse and Repair: Opportunities and Challenges in the UK. *2016 Electronics Goes Green 2016+, EGG 2016*, 1–9. <https://doi.org/10.1109/EGG.2016.7829857>
- Cronin, J. J., Smith, J. S., Gleim, M. R., & Ramirez, E. (2010). Green Marketing Strategies: An Examination of Stakeholders and the Opportunities They Present. *Journal of the Academy of Marketing Science*, 39, 158–174. <https://doi.org/10.1007/s11747-010-0227-0>
- Cwele, F. (2019). Towards an inclusive, green growth path: a review of South Africa's National Development Plan's approach to economic growth (Doctoral dissertation, Stellenbosch: Stellenbosch University).
- Dangelico, R. M., & Vocalelli, D. (2017). “Green Marketing”: An Analysis of Definitions, Strategy Steps, and Tools Through a Systematic Review of the Literature. *Journal of Cleaner Production*, 165, 1263–1279. <https://doi.org/10.1016/j.jclepro.2017.07.184>
- Elkington, J. (1989). Why it pays to be green. *Weekend Financial Times*, 14, (October), 13.
- Elkington, J. (1999), *Cannibals with Forks: Triple Bottom Line of 21st Century Business*. Capstone Publishing Ltd, Oxford.
- Fraj, E., Martínez, E., & Matute, J. (2011). Green Marketing Strategy and the Firm's Performance: The Moderating Role of Environmental Culture. *Journal of Strategic Marketing*, 19(4), 339–355. <https://doi.org/10.1080/0965254X.2011.581382>
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Friedman M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine*, 13(September: 32–33), 122–126.
- Giddings, B., Hopwood, B., & O'Brien, G. (2002). Environment, Economy and Society. *The Industrial Age*, 196, 208–212. <https://doi.org/10.4324/9781315842561-24>

- Gonzalez Diez, V. M., Verner, D., Corrales, M. E., Puerta, J. M., Mendieta Umaña, M. P., Morales, C., & L'Hoste, M. (2014). *Climate Change at the IDB: Building Resilience and Reducing Emissions*. Banco Interamericano de Desarrollo.
- Gu, A., & Zhou, X. (2020). Emission reduction effects of the green energy investment projects of China in belt and road initiative countries. *Ecosystem Health and Sustainability*, 6(1), 1747947.
- Hart, S. (1995). A Natural-Resource-Based the Firm. *Academy of Management Review*, 20(4), 986–1014.
- Hasan, M. M., Nekmahmud, M., Yajuan, L., & Patwary, M. A. (2019). Green Business Value Chain: A Systematic Review. *Sustainable Production and Consumption*, 20, 326–339. <https://doi.org/10.1016/j.spc.2019.08.003>
- Hume, S. (1991). McDonald's: Case Study. *Advertising Age*, 62(5), 32.
- Kangis, P. (1992). Concerns About Green Marketing. *International Journal of Wine Marketing*, 4(2), 21–24. <https://doi.org/10.1108/eb008596>
- Kapur, S. (2016). Rural tourism in India: relevance, prospects and promotional strategies. *Int J Tour Travel*, 9(1–2), 40–9.
- Kautish, P., Paul, J., & Sharma, R. (2019). The Moderating Influence of Environmental Consciousness and Recycling Intentions on Green Purchase Behavior. *Journal of Cleaner Production*, 228, 1425–1436. <https://doi.org/10.1016/j.jclepro.2019.04.389>
- Kotler, P., & Armstrong, G. (2006). *Principle of marketing* 11th ed. NJ: Prentice Hall.
- Kotler, P., & Armstrong, G. (2008). *Principles of Marketing* 12th ed. NY: Prentice Hall.
- Kotler P., & Lee, N. (2005) Worth Repeating. *Social Marketing Quarterly*, 11(3/4), 91–103.
- Laroche, M., Bergeron, J., & Forleo, B. G. (2001) Targeting consumers who are willing to pay more for environmentally friendly products, *Journal of Consumer Marketing*, 18(6), 503–520.
- Libcap, G., & Thursby, M. (2008). Technological innovation: generating economic results. In *Advances in the Study of Entrepreneurship, Innovation and Economic Growth*, vol.18. Emerald Group.
- Lukman, R. K., Glavič, P., Carpenter, A., & Virtič, P. (2016). Sustainable consumption and production—Research, experience, and development—The Europe we want. *Journal of cleaner production*, 138, 139–147.

- Marks & Spencer (2016), Annual Report & Financial Statements 2016 retrieved from: [http://annualreport2016.marksandspencer.com/M&S\\_AnnualReport\\_2016.pdf](http://annualreport2016.marksandspencer.com/M&S_AnnualReport_2016.pdf)
- Maziriri, E. T. (2020). Green Packaging and Green Advertising as Precursors of Competitive Advantage and Business Performance Among Manufacturing Small and Medium Enterprises in South Africa. *Cogent Business and Management*, 7(1). <https://doi.org/10.1080/23311975.2020.1719586>
- McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies*, 43(1), 1–18. <https://doi.org/10.1111/j.1467-6486.2006.00580.x>
- Mensah, I. (2013). Different Shades of Green: Environmental Management in Hotels in Accra. *International Journal of Tour*, (November 2012), 101–113. <https://doi.org/10.1002/jtr>
- Minton, E. A., Jeffrey Xie, H., Gurel-Atay, E., & Kahle, L. R. (2018). Greening up Because of God: The Relations Among Religion, Sustainable Consumption and Subjective Well-Being. *International Journal of Consumer Studies*, 42(6), 655–663. <https://doi.org/10.1111/ijcs.12449>
- Mishra, P., & Sharma, P. (2010). Green marketing in India: Emerging opportunities and challenges. *Journal of Engineering, Science and Management Education*, 3(1), 9–14.
- Miyamoto, M. (2021). Searching for an Effective Marketing in the Food Supplement Industry in Japan. *International Journal of Economics and Management Engineering*, 15(4), 316–326.
- Mohanraj, G., & Karthikeyan, P. (2017). Green Marketing – New Opportunities and Challenges. *Asian Journal of Research in Social Sciences and Humanities*, 6(7), 1238–1244. <https://doi.org/10.5958/2249-7315.2016.00508.6>
- Mohanty, R. P., & Prakash, A. (2014). Green supply chain management practices in India: a confirmatory empirical study. *Production & Manufacturing Research*, 2(1), 438–456.
- Moravcikova, D., Krizanova, A., Kliestikova, J., & Rypakova, M. (2017). Green Marketing as the Source of the Competitive Advantage of the Business. *Sustainability (Switzerland)*, 9(12), 1–13. <https://doi.org/10.3390/su9122218>
- Ngounou, B. (2019). South Africa: Electricity Production Will Be More Eco-Friendly in 2020–2030. Retrieved October 8, 2020, from <https://www.afrik21.africa/en/south-africa-electricity-production-will-be-more-eco-friendly-in-2020-2030/>
- Norman, W., & MacDonald, C. (2004). Getting to the bottom of “triple bottom-line”. *Business ethics quarterly*, 243–262. OECD, (2018). Technology indicators. Technical Report. OECD <https://doi.org/10.1787/e478bcd5-en>

- Ottman, J.A. (1993), *Green Marketing: Challenges and Opportunities for the New Marketing Age*, NTC Business Books, New York, NY.
- Ottman, J. A., Stafford, E. R., & Hartman, C. L. (2006). Avoiding green marketing myopia: Ways to improve consumer appeal for environmentally preferable products. *Environment: science and policy for sustainable development*, 48(5), 22–36.
- Papadas, K., Avlonitis, G. J., & Carrigan, M. (2017). Green Marketing Orientation: Conceptualisation, Scale Development and Validation. *Journal of Business Research*, 80(November 2016), 236–246. <https://doi.org/10.1016/j.jbusres.2017.05.024>
- Papadas, K., Avlonitis, G. J., Carrigan, M., & Piha, L. (2018). The Interplay of Strategic and Internal Green Marketing Orientation on Competitive Advantage. *Journal of Business Research*, (July), 1–12. <https://doi.org/10.1016/j.jbusres.2018.07.009>
- Peattie K. (1995). *Environmental Marketing Management*. Pitman: London.
- Peattie K., & Ratnayaka, M. (1992). *Responding to green movement*. *Industrial Marketing Management*, 21, 103–110.
- Peattie, K. (2001). Towards sustainability: the third age of green marketing. *The marketing review*, 2(2), 129–146.
- Pham, T. H., Nguyen, T. N., Phan, T. T. H., & Nguyen, N. T. (2019). Evaluating the Purchase Behaviour of Organic Food by Young Consumers in an Emerging Market Economy. *Journal of Strategic Marketing*, 27(6), 540–556. <https://doi.org/10.1080/0965254X.2018.1447984>
- Plottu, E., & Plottu, B. (2007). The concept of Total Economic Value of environment: A reconsideration within a hierarchical rationality. *Ecological economics*, 61(1), 52–61.
- Polonsky, M. J. (1994). An introduction to green marketing. *Electronic green journal*, 1(2).
- Polonsky, M. J. (2011). Transformative Green Marketing: Impediments and Opportunities. *Journal of Business Research*, 64(12), 1311–1319. <https://doi.org/10.1016/j.jbusres.2011.01.016>
- Porter, M. E. (1980). Industry structure and competitive strategy: Keys to profitability. *Financial Analysts Journal*, 36(4), 30–41. <https://doi.org/10.2469/faj.v36.n4.30>
- Porter, M. E. (1985). Technology and competitive advantage. *Journal of business strategy*, 5(3), 60–78. <https://doi.org/10.1108/eb039075>
- Prakash, G., & Pathak, P. (2016). Intention to Buy Eco-Friendly Packaged Products Among Young Consumers of India: A Study on Developing Nation. *Journal of Cleaner Production*. <https://doi.org/10.1016/j.jclepro.2016.09.116>

- Reuters (2019), China becomes world's biggest importer of rare earths: analysts Available at: <https://www.reuters.com/article/us-china-rareearthsidUSKBN1QU1RO>
- Risalvato, G., Venezia, C., & Maggio, F. (2019). Socially responsible investments and performance. *International journal of financial research*, 10(1), 10–16.
- Sachs, J. D., Schmidt-Traub, G., Mazzucato, M., Messner, D., Nakicenovic, N., & Rockström, J. (2019). Six transformations to achieve the sustainable development goals. *Nature Sustainability*, 2(9), 805–814.
- Singh, R. K., Murty H. R., Gupta S. K., & Dikshit A. K. (2012). An overview of sustainability assessment methodologies. *Ecological Indicators*, 15, 281–299.
- Tan, C. N. L., Ojo, A. O., & Thurasamy, R. (2019). Determinants of Green Product Buying Decision Among Young Consumers in Malaysia. *Young Consumers*, 20(2), 121–137. <https://doi.org/10.1108/YC-12-2018-0898>
- Tinne, W. S. (2013). Green Washing: An Alarming Issue. *ASA University Review*, 7(1).
- Toyota Australia, (2010). Toyota Prius: pricing. Available from: <http://www.toyota.com.au/home>. Accessed 25 October 2020.
- United Nations Environment Programme (UNEP). (2017), UN Environment Annual Report 2017. Available at: [https://www.unep.org/annualreport/2017/index.php?\\_ga=2.187960672.954776906.1620837827-1750866043.1620837827](https://www.unep.org/annualreport/2017/index.php?_ga=2.187960672.954776906.1620837827-1750866043.1620837827). Accessed: 29 October, 2020.
- Van der Waladt, G. (2016). The Role of Government in Sustainable Development: Towards a Conceptual and Analytical Framework for Scientific Inquiry. *Administratio Publica*, 24(2), 49–72.
- Wang, Y., Huscroft, J. R., Hazen, B. T., & Zhang, M. (2018). Green Information, Green Certification and Consumer Perceptions of Remanufactured Automobile Parts. *Resources, Conservation and Recycling*, 128, 187–196. <https://doi.org/10.1016/j.resconrec.2016.07.015>
- Wang, Z., & Sarkis, J. (2017). Corporate Social Responsibility Governance, Outcomes, and Financial Performance. *Journal of Cleaner Production*, 162, 1607–1616. <https://doi.org/10.1016/j.jclepro.2017.06.142>
- Wei, S., Ang, T., & Jancenelle, V. E. (2018). Willingness to Pay More for Green Products: The Interplay of Consumer Characteristics and Customer Participation. *Journal of Retailing and Consumer Services*, 45(August), 230–238. <https://doi.org/10.1016/j.jretconser.2018.08.015>
- Whitmarsh, L. (2011). Scepticism and uncertainty about climate change: Dimensions, determinants and change over time. *Global environmental change*, 21(2), 690–700.

- World Economic Forum. (2013), Green Investing. Available at: <https://reports.weforum.org/green-investing-2013/incremental-costs-for-green-growth/>
- World Bank. (2017), World Bank Annual Report 2017. Available at: <https://documents.worldbank.org/en/publication/documentsreports/documentdetail/143021506909711004/world-bank-annual-report-2017>
- Yadav, P. L., Han, S. H., & Rho, J. J. (2016). Impact of Environmental Performance on Firm Value for Sustainable Investment: Evidence from Large US Firms. *Business Strategy and the Environment*, 25(February 2015), 402–420. <https://doi.org/10.1002/bse.1883>
- Yadav, R., Dokania, A. K., & Pathak, G. S. (2016). The Influence of Green Marketing Functions in Building Corporate Image: Evidences from Hospitality Industry in a Developing Nation. *The Electronic Library*, 34(1), 1–5.
- Yarimoglu, E., & Binboga, G. (2019). Understanding Sustainable Consumption in an Emerging Country: The Antecedents and Consequences of the Ecologically Conscious Consumer Behavior Model. *Business Strategy and the Environment*, 28(4), 642–651.
- Zhang, L., Wu, J., Liu, H., & Zhang, X. (2020). The Value of Going Green in the Hotel Industry: Evidence from Beijing. *Real Estate Economics*, 48(1), 174–199.





# 12

## Emerging Trends in the Green Marketing Space: Implications for Theory, Practice and Policy Formulation

Chipo Mukonza, Ogechi Adeola, and Isaiah Adisa

### 12.1 Introduction

*“Can we be green, clean, and profitable all at the same time?”*

This remains a crucial and relevant question, first posed by Polonsky and Rosenberger in 2001. Increasingly, managers have begun to consider the impact of the actions of their organisation on the natural environment (Donald, 2009; Dwyer et al., 2009). Green marketing management has gained traction in recent years; there are key opportunities that can arise

---

C. Mukonza (✉)

Tshwane University of Technology, Polokwane, South Africa

O. Adeola

Lagos Business School, Pan-Atlantic University, Lagos, Nigeria

e-mail: [oadeola@lbs.edu.ng](mailto:oadeola@lbs.edu.ng)

I. Adisa

Olabisi Onabanjo University, Ago-Iwoye, Nigeria

from engaging in the practice (Cronin et al., 2011; Grimmer & Woolley, 2014; Prakash, 2002), such as business growth and development, business expansion, and positive business image (Arseculeratne & Yazdanifard, 2014; Das et al., 2012; Ko et al., 2013). The findings from this book have shown that firms can be green, clean, and profitable all at the same time if they are able to harness the organisational resources innovatively and strategically. Also, firms must ensure that they align strategic orientation with their operational endeavours to achieve the multiple goals of their green agenda.

Firms in emerging markets, through green initiatives such as green marketing, can respond to their environmental problems, meet the needs of the consumers, and also make a profit. Emerging market organisations can find their rightful place amongst organisations whose activities stimulate sustainable development and contribute immensely to the sustainability movement. The book utilised various methods, including case studies, desk literature reviews, and empirical reviews, to understand the conceptual issues around green marketing and also some strategic operations that are being implemented by various countries and businesses in emerging markets. Understanding the role of business strategy and business operations in green marketing success in emerging markets represents a unique contribution that practitioners and business owners must carefully consider.

## 12.2 Emerging trends in Green Marketing

Emerging issues in the green marketing literature encompass the understanding of consumer behaviour (Ogiemwonyi & Harun, 2020), consumer orientation (Vilkaite-Vaitone & Skackauskiene, 2020), purchase intention (Nekmahmud & Fekete-Farkas, 2020), generational dynamics in green marketing (Taufique & Islam, 2021), corporate image (Mukonza & Swarts, 2020), and Sustainable Development Goals (SDGs) (Amoako, Dzagbenuku, Doe & Adjaison, 2020). A similar trajectory adopted by these studies is the focus on emerging market nations. This is not surprising as industrialisation efforts in emerging nations continue to rise with concomitant environmental challenges (Antoci, Galeotti & Sordi, 2018; Nasrollahi, Hashemi, Bameri, & Taghvae, 2020).

Saleem, Khattak, Ur Rehman and Ashiq (2021), through a bibliometric analysis, examined the direction of green marketing research from 1977 to 2020 and found that most studies on green marketing have focused on emerging markets while research on green marketing has gained traction extensively across the world. Green consumerism, eco-innovation, green washing, and low carbon economy were identified as the new trends of research authors must focus on in order to contribute extensively to the literature on green marketing. The authors also explored the possible publication outlets for green marketing discussions, and suggested International Journal of Operations & Production Management, Sustainability, Journal of Marketing, Journal of Advertising, Tourism Management, Journal of Business Ethics, California Management Review, Journal of Business Research, and Management Science.

Consumers are vital stakeholders in green marketing, and research continues to be on the increase to ascertain factors that will engender consumers' purchase of green products in emerging markets. Li, Lee, Lin, Liu, and Tsai (2019) examined the willingness of consumers to pay for organic foods in an emerging market in a case study of China, and having checked through various databases such as Proquest, Blackwell, AgEcon and SSRN with the lens of a bibliography method. The result of their study shows that consumers' knowledge, purchasing power, environmental concerns, food safety concerns, health consciousness, and individual norms all influence purchase decisions. Though the literature is replete with discussion on green consumerism and the role of the consumers in the sustainable movement, the dynamic nature of consumers' wants requires that research must continually be tailored towards understanding the consumers in emerging markets. Similarly, Bhardwaj, Garg, Ram, Gajpal, and Zheng (2020) found through a bibliometric analysis of the literature on green products between 1964 – 2019 that the narrative is changing from sustainable development and sustainable design of green products to themes on purchase intention, consumer trust, loyalty, branding, and environmental health consciousness.

Agarwal and Kumar (2020) identified research gaps in green advertising in the past three decades and found key areas in green advertising that have been ignored in the literature. There has been limited adoption of

green advertising regulations globally due to the dearth of green advertising research and materials on green branding. This has highlighted a need to increase the use of content analysis to focus on green advertising appeals such as music, humour, or animation to convey the green message. Focus should also be placed to non-durable goods, business-to-business marketing scenarios, services, and apparels.

### 12.3 Drivers and Consequences of Green Marketing

Achieving and driving the sustainability agenda in emerging markets will require both strategic and operational efforts by managers and business owners (Papadas et al., 2019; Tariq et al., 2017). Though a concerted effort by other sustainability stakeholders such as the government, the consumers, and non-governmental organisations is also needed for green marketing success in emerging markets, the onus still lies with the organisation to harness and align its internal resources with sustainability vision and goals. The resources available to the organisation will inform to a large extent, how and when it will adopt sustainable business practices such as green marketing. Agyepong and Nhamo (2017) posit that more regulations are emerging, requiring companies to be compliant and address the negative impacts of climate change and engage with the green and low carbon economy in the context of sustainable development and poverty reduction.

It is important that green regulations driving the green marketing orientation incorporate international, national, and local policies and regulations. The changing consumer behaviour and green procurement practices have also contributed as one of the drivers of green marketing. However, this comes with reputation risks that companies can face if they do not comply with green marketing practices. Similarly, chapters in the book have shown that company efforts should be geared towards green marketing orientations, thereby striving to meet consumer's needs to provide products that are environmentally safe and friendly to the customers. Therefore, a change in organisations' core values should resonate with

the development of strategic objectives that reflect the sustainability agenda, which is becoming increasingly more popular globally.

Pressures to “go green” have also resulted in green washing. Green washing which has been discussed comprehensively in the book is “the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service” (Parguel et al., 2015, p. 1). There are numerous cases of organisations that have been misusing terms such as sustainable, eco- friendly, or green to superficially convince consumers that that they are environmentally conscious. However, their strategies and brand messages fail, when the company cannot fulfil claims of “being green”. Consequently, this would negatively affect green trust and cause doubt in the mind of consumers. Another consequence is green myopia, where the various activities purported to be green fail to meet the criteria, or when the green products are priced very high, which can result in companies losing market acceptability.

The effort to embrace green marketing is not only the duty of the marketing department, but should involve the entire organisation with different functional areas’ involvement in quality, design, production, and supplies. Organisations should strategically manage green marketing activities and put in place policies that will guide the planning, implementation, and control of green products or services to minimise the impact on the natural environment. Such policies will cover products/ service, price, place (distribution), and promotion aspects of green marketing.

Contrary to the belief that green marketing is more demanding in terms of the cost and less rewarding in terms of its benefits to the organisation, there is evidence from the discussions in this book that green marketing promotes and provides social, economic, and environmental benefits to the organisation, the society, and the environment. A strategic perspective to green marketing ensures that the firm achieves multiple goals through a single initiative, and the operational perspective takes care of its implementation and adoption. Key among the book’s tenets is that the adoption of green marketing practices in emerging markets provides a strategic and operational solution to sustainable development efforts in emerging markets.

## 12.4 Implications for Theory

This book extends the theoretical discussion on green marketing by emphasising the role of strategic business orientation and operational practices as crucial to green marketing goals. The resource-based theory, the green theory, the congruence effect theory, the theory of planned behaviour, sustainable development theories, and the stakeholder theory have all been highlighted in the discussion of green marketing and its impact on sustainable activities, attitudes, and behaviour. The application of the resource-based theory of the firm, for instance, describes that the strategic and operational capacity of the firm to engage in green marketing will be determined by the availability of resources in the firm.

On the other hand, the congruence effect theory was used to describe the effect of green marketing on consumers. Through green marketing, consumers' attitudes can be positively stimulated with behavioural engagement, sponsor attitude, sponsor credibility, and message credibility. The theory of planned behaviour was also utilised in the book to explain consumers' choice of green products and services. The diverse range of theories that have been used in the book reflects the strength of the theories to be used in a different context, while still retaining their basic tenets and explanatory strengths. Theories such as the resource-based theory, the green theory, the congruence effect theory, the theory of planned behaviour, and the stakeholder theory have contributed immensely to understanding green marketing, its application, and outcomes. Future research endeavours on green marketing can adopt tenets from other organisation and environmental theories to extend theoretical explanations of green marketing.

Overall, this book has extended the domain of applicability of these theories and contributes to our understanding of green marketing.

## 12.5 Implications for Practice and Policy Formulation

The book contends that green marketing is a strategic but complex tool. For companies to achieve long-term benefits, green marketing must be integrated into their strategic orientation and operational activities. Green marketing is context-based. Its implementation and results differ because companies and countries own heterogeneous resources. Similarly, nations do not necessarily have the same environmental problems, and for this reason, proactive strategies for alleviating environmental challenges through green marketing must be context-specific. Environmental constraints force firms to build up new and distinctive resources and capabilities. These capabilities allow firms to respond more efficiently to environmental pressures through the design of new and flexible strategies that, in turn, will be likely translated into sustainable competitive advantages.

Firms must begin to use their capabilities for strategic green goals while their operations recognise the importance of achieving the sustainability agenda. Businesses in emerging markets must understand that the consumers are part of the key stakeholders whose values must be effectively harnessed to achieve their sustainability goals. Policies and practices must be altered to drive green performance in organisations in emerging economies. Financing green business projects are also crucial to achieving green goals, and hence, stakeholders' involvement cannot be overemphasised. Private-public partnerships must continuously be encouraged as businesses cannot achieve environmental sustainability on their own; thus, strategic collaboration will be required. Such collaborations must seek to understand and address the local community's environmental challenges and how businesses' actions and practices can promote unsustainable behaviour and make conscious efforts to end such acts and become change agents.

## 12.6 Conclusion

Green marketing must be viewed from a strategic and operational perspective to be fully integrated into the core of organisational activities. Green marketing orientation will influence green actions across different units (human resources, production, sales, purchasing, and research units). Due to its strategic provisions, operationally, greening will become the culture of the organisation, and this will influence the business green image. An organisation cannot regard itself as a sustainability advocate until the larger society views it as one. Managers of businesses in emerging economies must therefore take note and act accordingly. Until green initiatives begin to have strategic and operational orientation, practices such as green marketing may not achieve the desired goals and objectives.

## References

- Agarwal, N. D., & Kumar, V. V. R. (2020). Three decades of green advertising – a review of literature and bibliometric analysis. *Benchmarking: An International Journal*. <https://doi.org/10.1108/BIJ-07-2020-0380>.
- Agyepong, A. O., & Nhamo, G. (2017). Green Procurement in South Africa: Perspectives on Legislative Provisions in Metropolitan Municipalities. *Environment, Development and Sustainability*, 19(6), 2457–2474.
- Amoako, G. K., Dzogbenuku, R. K., Doe, J. & Adjaisan, G. K. (2020). Green marketing and the SDGs: emerging market perspective. *Marketing Intelligence & Planning*. <https://doi.org/10.1108/MIP-11-2018-0543>.
- Antoci, A., Galeotti, M., & Sordi, S. (2018). Environmental pollution as engine of industrialization. *Communications in Nonlinear Science and Numerical Simulation*, 58, 262–273.
- Arseculeratne, D., & Yazdanifard, R. (2014). How Green Marketing Can Create a Sustainable Competitive Advantage for a Business. *International Business Research*, 7(1), 130.
- Bhardwaj, A. K., Garg, A., Ram, S., Gajpal, Y., & Zheng, C. (2020). Research Trends in Green Product for Environment: A Bibliometric Perspective. *International Journal of Environmental Research and Public Health*, 17(22), 8469.



- Cronin, J. J., Smith, J. S., Gleim, M. R., Ramirez, E., & Martinez, J. D. (2011). Green Marketing Strategies: An Examination of Stakeholders and the Opportunities They Present. *Journal of the Academy of Marketing Science*, 39(1), 158–174.
- Das, S. M., Dash, B. M., & Padhy, P. C. (2012). Green Marketing Strategies for Sustainable Business Growth. *Journal of Business Management & Social Sciences Research*, 1(1), 82–87.
- Donald, S. S. (2009). Green Management Matters Only If It Yields More Green: An Economic/Strategic Perspective. *Academy of management perspectives*, 23(3), 5–16.
- Dwyer, R., Lamond, D., Molina-Azorín, J. F., Claver-Cortés, E., López-Gamero, M. D., & Tarí, J. J. (2009). Green Management and Financial Performance: A Literature Review. *Management Decision*, 47(7), 1080–1100.
- Grimmer, M., & Woolley, M. (2014). Green Marketing Messages and Consumers' Purchase Intentions: Promoting Personal Versus Environmental Benefits. *Journal of Marketing Communications*, 20(4), 231–250.
- Ko, E., Hwang, Y. K., & Kim, E. Y. (2013). Green Marketing' Functions in Building Corporate Image in the Retail Setting. *Journal of Business Research*, 66(10), 1709–1715.
- Li, R., Lee, H. Y., Lin, Y. T., Liu, C. W., & Tsai, P. F. (2019). Consumers' willingness to pay for organic foods in China: Bibliometric review for an emerging literature. *International Journal of Environmental Research and Public Health*, 16(10), 1713.
- Mukonza, C., & Swarts, I. (2020). The influence of green marketing strategies on business performance and corporate image in the retail sector. *Business strategy and the Environment*, 29(3), 838–845.
- Nekmahmud, M., & Fekete-Farkas, M. (2020). Why Not Green Marketing? Determinates of Consumers' Intention to Green Purchase Decision in a New Developing Nation. *Sustainability*, 12(19), 78–80.
- Nasrollahi, Z., Hashemi, M. S., Bameri, S., & Taghvaei, V. M. (2020). Environmental pollution, economic growth, population, industrialization, and technology in weak and strong sustainability: using STIRPAT model. *Environment, Development and Sustainability*, 22(2), 1105–1122.
- Ogiewonyi, O., & Harun, A. B. (2020). Consumption of Green Product as a Means of Expressing Green Behaviour in an Emerging Economy: With the Case Study of Malaysia. *Environment and Urbanization ASIA*, 11(2), 297–312.
- Papadas, K. K., Avlonitis, G. J., Carrigan, M., & Piha, L. (2019). The Interplay of Strategic and Internal Green Marketing Orientation on Competitive Advantage. *Journal of Business Research*, 104, 632–643.

- Parguel, B., Benoit-Moreau, F., & Russell, C. A. (2015). Can Evoking Nature in Advertising Mislead Consumers? The Power of 'executional greenwashing'. *International Journal of Advertising*, *34*(1), 107–134.
- Polonsky, M. J., & Rosenberger, P. J., III. (2001). Reevaluating Green Marketing: A Strategic Approach. *Business Horizons*, *44*(5), 21–30.
- Prakash, A. (2002). Green Marketing, Public Policy and Managerial Strategies. *Business Strategy and the Environment*, *11*(5), 285–297.
- Saleem, F., Khattak, A., Ur Rehman, S., & Ashiq, M. (2021). Bibliometric Analysis of Green Marketing Research from 1977 to 2020. *Publications*, *9*(1), 1.
- Tariq, A., Badir, Y. F., Tariq, W., & Bhutta, U. S. (2017). Drivers and Consequences of Green Product and Process Innovation: A Systematic Review, Conceptual Framework, and Future Outlook. *Technology in Society*, *51*, 8–23.
- Taufique, K. M. R., & Islam, S. (2021). Green marketing in emerging Asia: antecedents of green consumer behavior among younger millennials. *Journal of Asia Business Studies*. <https://doi.org/10.1108/JABS-03-2020-0094>.
- Vilkaite-Vaitone, N., & Skackauskiene, I. (2020). Factors affecting implementation of green marketing orientation. In SHS Web of Conferences (Vol. 74, p. 01036). EDP Sciences.

# Index

## B

- Black Generation-Y consumers, 145
- Bottom line, 264
- Business environments, 184

## C

- Co-generation, 23
- Communications mix
  - integration, 121
- Compliance marketing, 42–43
- Consumer awareness, 87
- Corporate marketing
  - communications, 119
- Corporate social responsibility (CSR), 182
- COVID-19, 258
- COVID-19 pandemic, 93
- Creative design integration, 121

## E

- Eco-centric, 62
- Eco-labelling, 255
- Ecological Marketing, 41
- Ecological scarcities, 18
- Ecopreneurship, 7
- Emerging economies, 62, 253
- Entrepreneurial innovation, 16
- Entrepreneurship, 253
- Environmental awareness, 65
- Environmental constraints, 283
- Environmentally conscious, 94
- Environmentally friendly, 4
- Environmentally friendly
  - consumers, 152
- Environmentally friendly
  - decisions, 39
- Environmentally safe, 280
- Environmental problems, 15

Environmental quality, 251  
 Environmental sustainability, 39  
 Environment-friendly, 93  
 Enviropreneurial marketing,  
 42, 232–233  
 Ethical Fashion Initiative (EFI), 219  
 External green Ps, 47–48

F

Fashion Revolution, 213  
 Fashion Revolutions Transparency  
 Index, 204  
 Fashion waste, 213  
 Firm performance, 227

G

Generic marketing mix, 181  
 Global warming, 41, 64  
 “Green,” 65  
 Green agenda, 278  
 Green alliances, 44  
 Green behaviour, 62  
 Green brands, 140  
 Green building, 25  
 Green business capitalism, 16  
 Green business principles, 23  
 Green certification, 255  
 Green communication, 140  
 Green commuting, 95  
 Green consumer, 65  
 Green consumer behaviour, 68, 150  
 Green economy, 29, 147  
 Green harvesting, 42  
 Green industrial brands, 9  
 Greening of nature conservation, 23  
 Greening the process, 44

Green innovation, 44  
 Green integrated marketing, 118  
 Green marketing, 3, 39, 62,  
 117, 145  
 Green marketing  
 communications, 117  
 Green marketing orientations, 4,  
 228, 280  
 Green marketing strategy, 145  
 Greenness, 22  
 Green packaging, 146, 157  
 Green policies, 49  
 Green product management, 145  
 Green products, 12, 149  
 Green promotion, 163  
 Green purchase behaviour (GPB), 97  
 Green selling, 42  
 Green spinning, 41–42  
 Green tactics and strategies, 51–58  
 Greenwashing, 203  
 Grow economies, 15

H

Heterogeneous resources, 283  
 Home-Based Production Project  
 (HBPP), 220  
 Horizontal/functional  
 integration, 120  
 Hospitality industry, 257

I

Indian market, 94  
 Industrial Development Corporation  
 (IDC), 28  
 Industrial marketing, 184  
 “Industrial Revolution,” 64

Information and communication technologies, 251  
Internal green marketing orientation (IGMO), 8  
Internal green Ps, 48–49

**L**

Labour-intensive, 196  
Logistics management, 183  
Logistics service providers (LSPs), 181

**M**

Marketing and supply chain perspectives, 183  
Marketing implementation, 7  
Marketing mix, 45  
Marketing mix integration, 121  
Marketing orientation, 63  
Marketing strategies, 181

**N**

Natural environment, 65  
Non-governmental organisations, 280

**O**

Organisational strategies, 39

**P**

Pollution, 149  
Pro-environmentalist, 61

**R**

Recycling, 23–25  
Renewcell, 213  
Resource-based view (RBV), 230

**S**

Services marketing, 184  
Small and medium enterprises (SMEs), 145  
Social acceptance, individuality, status, femininity, rewards, 73  
Social consciousness, 18  
Social influences, 167  
Social marketing, 39  
Social responsibility, 234  
Societal orientation, 63  
Stakeholder theory, 230  
Strategic communications, 118  
Strategic green marketing orientation (SGMO), 8  
Strategic objectives, 140  
Supply chain management, 184  
The sustainability agenda, 280, 281  
Sustainability practices, 5  
Sustainable competitive advantages, 283  
Sustainable consumption and production and environmental sustainability, 28  
Sustainable development, 7, 21  
Sustainable food, 111  
Sustainable management, 256

**T**

‘Triple zero approach,’ 95

U

Upcycled textile, 213

V

Value chain, 252

Vertical objectives

integration, 120

W

Water pollution, 41