



STRATEGIC ALLIANCES – A TOOL FOR SUSTAINABLE GREEN MARKETING

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***Abstract:** In today's marketplace one would be hard pressed to find a more utilized buzz word than 'green'. As environmental concern has quickly become a mainstream issue as a result of global warming nowadays, more forethoughtful companies would like to utilize green opportunities. "Green brand preference" will be a tool that differentiates the brand from its competitors. This paper presents the reasons for the companies to go green, challenges faced by green marketing and the strategic alliances as an approach towards sustainable green marketing for a competitive advantage.*

Introduction:

In today's marketplace one would be hard pressed to find a more utilized buzz word than "green". Organic, natural, holistic, sustainable, responsible, however, or whatever we call it, the movement is catching on. As environmental concern has quickly become a mainstream issue as a result of global warming nowadays, more forethoughtful companies would like to utilize green opportunities. Many corporations have invested billions in their greening efforts. Many researchers have argued that going green can be a holistic business solution that adds value to the companies and their stakeholders and that it should be a basic part of the system. "Green brand preference" will be a tool that differentiates the brand from its competitors.

3M has continually made considerable contributions to innovation and sustainable products and practices, and carpet manufacturer- Interface has set the standard in corporate ethics and company turnarounds by striving to create a totally sustainable company by 2020. According to Environmental Leader (2007, 2008) Toyota Motor Sales achieved its goal of zero waste to landfill and Subaru is well on its way to zero waste to landfill in many of their US plants. Over the last decade, many green companies began building and retrofitting existing structures using sustainable and green materials with concerted efforts to implement recycling and energy conservation initiatives.

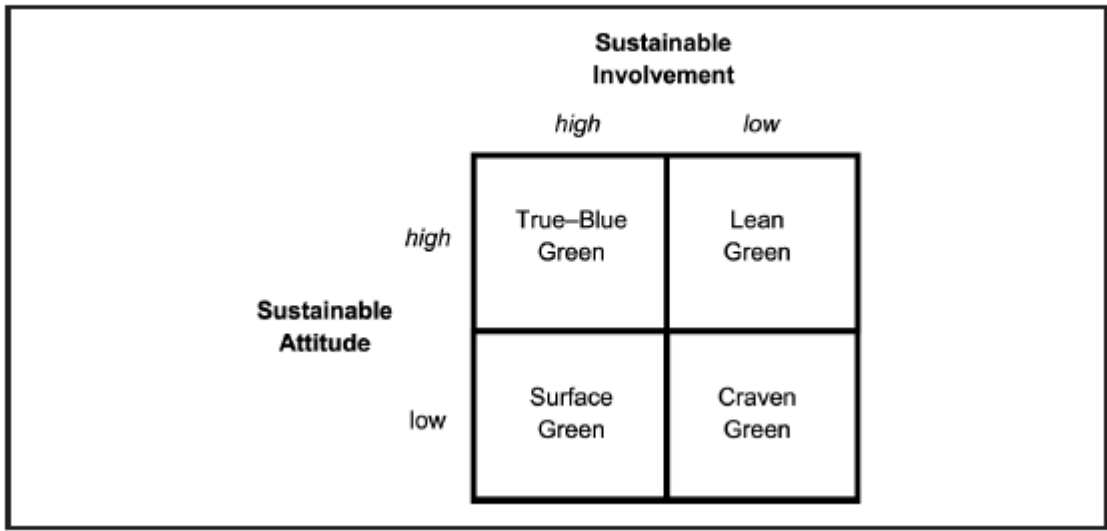
Green Marketing:

A green product is one that is either partially or totally recyclable. The product should either be totally or partially created from recycled or rapidly renewable materials and also recyclable or biodegradable (Kriedler et al.,2009). Green marketing is a concept, which encompasses all marketing activities that are developed to stimulate and to sustain consumers' environmental friendly attitudes and behaviors (Jain and Kaur, 2004).

According to treehugger.com, green is defined as a product or service that is both environmentally and socially responsible. Green marketing is a broader concept that covers much more aspects such as consumer goods, industrial goods and services as well. The consumers of the green brands rely mainly on the “functional attributes” of the brand and link it to the perception of environmental friendly products (Rios et al., 2006)

Kreidler and Mathew (2009) identified four groups within a matrix that ranges from low to high sustainable involvement on one axis and attitude towards sustainability on the other axis. Figure 1 outlines the proposed various green market segments. A true-blue green defines the consumer who is willing to sacrifice everything in the name of sustainability whereas a lean green is willing to participate in sustainable activities as long as it will not cost them money.

Figure 1 Proposed “green” market segments



Source: Kreidler and Mathew (2009)

A surface green understands the concept of sustainability, but it is too much for them to participate in sustainable activities. These surface greens associate themselves with products that



say “sustainable” or “green” without doing further research on issues or exerting any extra effort in recycling. Finally, there is the craven green, a person who wants to be green and finds the notion of being green attractive, but is comfortable with the way things are and lacks confidence in stepping outside of their traditional lifestyle or buying behavior.

Most of the green initiatives currently operational in the marketplace typically fall into two categories. On one hand, businesses focus on integrating green features into the design or characteristics of individual products. On the other hand, a larger portion of resources commits to a reduction in waste and energy usage, building green and limiting CO2 emissions from production. The ultimate goal for green marketing is to create two bottom lines; the first is for profit and the second for social responsibility.

Literature Review:

Studies suggest that consumers not only desire to purchase products that are less environmentally harmful but are willing to pay more to do so (Coddington, 1993). Eagly (1987) suggests that women tend to evaluate the impact of their actions on others and as such are more likely to be environmentally conscious. Kreidler and Mathew (2009) propose that “going green” goes beyond having recyclable or even sustainable products, to an ideology that incorporates improving worker morale and retention, and giving back to the communities they are located in and offer conceptual framework for assessing green atmospherics within service environments and proposes a green consumer typology that references “stimuli” versus “socio-demographics” for categorization.

Roberts, (1996) infers that psychographic variables are more predictive of environmental consciousness and green consumer behavior than socio-demographic variables. According to the Natural Marketing Institute web site (www.lohas.com), there is a specific market segment that focuses on health and fitness, the environment, personal development, sustainable living, and social justice commonly known as LOHAS or lifestyles of health and sustainability. Chen and Chang (2012) in their study apply four original concepts – green perceived value, green perceived risk, green trust, and green purchase intentions – to develop an integral model to enhance green purchase intentions and the study demonstrates that the relationships between

green purchase intentions and their two antecedents – green perceived value and green perceived risk – are partially mediated by green trust. Hence, investing resources to increase green perceived value and to decrease green perceived risk is helpful to enhance green trust and green purchase intentions. there is a strong correlation and a positive effect of the other factors (green brand image, green awareness and green trust) and green brand preference. Finisterra et al., 2009 mentioned that the consumer demographics could play a role in the consumers' pro-environmental behavior.

Importance of Green Marketing:

A product can deliver value to customers by offering them benefit and by differentiating the product from competitors' (Zeithaml, 1988; Aaker, 1996) Green marketing can not only provide a differentiation strategy by creating environmental needs, but also reshape marketing rules in the market.

Green marketing is a concept, which encompasses all marketing activities that are developed to stimulate and to sustain consumers' environmental friendly attitudes and behaviors (Jain and Kaur, 2004). According to Miles and Covin (2000), Miles and Munilla (1993), Pujari et al. (2003), Shrivastava (1995) and York (2009), there are lots of benefits that the corporations can gain when they integrate the sustainability into their businesses such as efficient use of resources, return on investment, entering new markets, increasing the sales and revenues, enhancing the corporate image, product differentiation and enhanced competitive advantages. Coddington, (1993) suggests that consumers not only desire to purchase products that are less environmentally harmful but are willing to pay more to do so.

In simple terms, there are five reasons for companies to adopt green marketing:

- (1) utilizing green opportunities;
- (2) increasing corporate images;
- (3) raising product value;
- (4) enhancing competitive advantages; and
- (5) complying with environmental trends (Chen, 2008a).

Challenges For Green Marketing:

Consumer marketers need to develop strategies which will allow them to overcome three problems associated with green marketing: poor credibility; consumer cynicism; and consumer confusion (Carlson *et al.*, 1993; Davis, 1993; Said, 1994).

Credibility : Consumers lack credibility as some organizations fail to deliver the environmental performance that was promised. Firms have promoted their products as environmentally responsible without integrating environmental awareness into their corporate culture leading to reductions in environmental marketing credibility.

Consumer Cynicism: The past problem of consumer cynicism is also related to green marketing's past history, as many producers simply jumped on the green marketing bandwagon without considering the full ramifications of their actions (Pitt, 1991)

Consumer Confusion: Many firms promoting about environmental products without providing proper factual information leads to consumer confusion. The lack of factual information has been called the "greatest environmental hazard" facing consumers. (Schlossberg, 1993).

Strategies For Green Marketing:

Organizations adopt different strategies to overcome the challenges faced by the green marketing. The degree to which green marketing has been incorporated into a company's marketing strategies has varied between companies that range from simple repositioning of the products to formation of new companies.

Different green marketing strategies considered by organizations include

1. Repositioning existing products without changing product composition (Davis, 1992);
2. Modifying existing products to be less environmentally harmful (Ottman, 1992);
3. Modifying the entire corporate culture to ensure that environmental issues are integrated into all operational aspects (McDaniel and Rylander, 1993);
4. The formation of new companies that target green consumers and only produce green products (*CHOICE*, 1990).

The Role of Strategic Alliances:

For a long term success in the field of green marketing, organisations can also look for alliances with different environmental groups for sustainable marketing advantages. (*Mendleson & Polonsky, 1995*) Strategic alliances are relationships where "partners bring a particular skill or



resource, usually one that is complementary, and by joining forces both are expected to profit from the others experience” (Jeannet and Hennessey, 1992). Strategic alliances have been used in a variety of situations when two or more organizations join forces to achieve a mutual objective (Coddington, 1993)

Strategic alliances with environmental groups can provide five benefits to marketers of consumer goods:

- (1) increase consumer reliability in green products and their claims;
- (2) provide firms with access to environmental information;
- (3) give the marketer access to new markets;
- (4) provide positive publicity and reduce public criticism;
- (5) educate consumers about key environmental issues relating to the firm and its product(s)

A variety of environmental groups, international, national and local, are willing to make these more formal associations as well as informal alliances (Coddington, 1993, World Wide Fund for Nature, 1993). To overcome the challenges posed by green marketing organisations require more direct ties such as product endorsements, corporate sponsorships and product-licensing products between firms' products, environmental groups and product-related environmental issues rather than loose affiliations.

Conclusion:

As consumers are forced to make trade-offs between product attributes and product greenness, most of the consumers would not sacrifice their needs just to be green (Ginsberg and Bloom, 2004). If firms would like to adopt green marketing successfully, they should integrate the concept of green marketing into all aspects of routine marketing activities. When deciding to form strategic alliances the firm must examine future market opportunities and organizational capabilities. Firms need to evaluate both of these carefully before they decide an environmental alliance is the strategy for them (Mourad et al 2012). As Mintzberg (1987) suggested, a strategy may “emerge in response to an evolving situation, or it can be brought about deliberately, through a process of formulation followed by implementation”.

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