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Performance of businesses under the impact of green marketing

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Abstract

The study has conducted a review of the documents, synthesizing the necessary arguments to confirm the positive influence of green marketing on business performance. From there, propose some solutions to improve and increase business performance of enterprises through Green Marketing. In the context that business is gradually shifting to an environment-friendly and protective orientation, businesses are gradually shifting their activities towards this orientation. However, every change in orientation and strategy entails changes in business performance. Is this change positive or negative for the business? How can businesses restructure business activities in a green way but still ensure the necessary growth?

Keywords: green marketing, performance, businesses

1. Introduction

For the last year, there's been a problem about an environment, it's one of the global warming problems. The environment is an outstanding problem in the papers and getting a lot of people's attention right now. The contaminated environment condition of pollution can cause more than directly damage to health, human life, but also affects economics, society. The global concern increases with environmental problems (Albino and jee, 2009) ^[1]. It has led to an increased pressure to companies and management systems from different agencies (Chabowski and ctg, 2011) ^[6].

In recent years, the environment problem is one of global warming problems. Environmental pollution has been become an outstanding problem which received a lot of attention from people and newspapers. The polluted environment can cause many consequences, not only directly harming human health and life, but also affecting the economy and society. The growing global concern about environmental issues (Albino *et al.*, 2009; Banerjee, 2002) ^[1, 3], has led to an increase in pressure on the management systems of companies and stakeholders. (Chabowski *et al.*, 2011) ^[6].

In Vietnam in recent years, there are many corporations and large companies in the private sector that have formed and developed strongly and have made many contributions to the growth and development of the national economy and the role of small and medium enterprises (SMEs) in this economic sector is also very important. Among them, there are businesses that are socially responsible, they are following the trend of green businesses. Thus, to be able to bring green information from their products to the community, these businesses need to have specific green marketing strategies to inform customers easily and with high reliability. Also, green strategy is very related to educational marketing messages, it is able to connect between the characteristics of green products and the values that consumers want. Therefore, green marketing programs are considered successful when they influence to customers' understanding to make them realize the benefits of green products. In particular, the convenience and quality that this brand brings is the key point to gain a position in the hearts of customers, and it will become one of the daily choices for every home. From there, we can clearly see how green businesses have an advantage in the competitive market.

2. Research concepts

2.1 Green marketing

From social ethical marketing perspective was born in the end of the century, when the quality of the environment is getting worse, natural resources run out, the environmental pollution, and more collateral damage has caused businesses to begin to focus on the marketing strategy towards a lot more public.

Especially, in climate change, and extreme weather, and it's getting bigger and more. From this reason, there's been a lot of challenge for the nations to use measures to prevent this situation from people but from the mining businesses, use resources and preserve its environment. Further, the focus of the consumer's awareness, first of all, they want to use safety products with individuals, without damaging the environment and have higher requirements for businesses to produce products sustainability.

Green marketing has been given a lot of definitions by interested authors. With the view of marketing from an environmental point of view, researchers have mentioned it with terms such as "green marketing", "environment marketing", "eco-marketing", "sustainable marketing". By far, the most commonly used term is "green marketing".

The concept of Marketing has been defined since 1976 by Henion and Kinnear, many researchers have given different definitions of Green Marketing in each research period. Limiting the impact on the environment is a new direction of the concept of Green Marketing. This orientation is established in the direction of separating business activities from the environment and avoiding environmental impacts. Accordingly, Polonsky (1994) proposed that green marketing combines a series of activities, including changing the product, changing the production process, changing the packaging as well as changing the advertising activities, etc. for the satisfaction of needs and wants occurring with minimal adverse impact on the natural environment.

This view is supported by. Accordingly, green marketing is considered the development and marketing of products designed to minimize negative impacts on the natural environment. Similar to this view, Peattie (2001) ^[14] argues that the term green marketing is used to describe marketing activities aimed at reducing the negative social and environmental impacts of existing products and production systems, promote less damaging products and services. As Mishra and Sharma (2012) ^[11] argue that green marketing refers to a holistic marketing concept in which the production consumption and disposal of products and services occur in a manner that is less detrimental to the environment.

Sharing the same view, Groening *et al.* (2018) ^[8] argue that green marketing is "a marketing response to the environmental impacts of design, production, packaging, labeling, use and disposal. Products or services". Groening *et al.* (2018) ^[8] have also shown that the basic elements of marketing are combined with the goal of minimizing the impact on the environment but not reducing the amount of goods consumed, and at the same time convincing consumers to buy green products and services... The authors have introduced concepts based on many definitions of marketing including the following three aspects: marketing orientation, marketing strategy and marketing functions.

With this point of view/ (With this system of views), the positive level of businesses as well as the social responsibility factor have not been clearly mentioned. Specifically, the motivation as well as the goals and urgency of applying green marketing have not been mentioned. Thus, the motivation for greening marketing activities has not yet been clearly shown, businesses still perceive green marketing as a mere sales promotion strategy. This is a major limitation of this approach.

2.2 Business performance

Business performance is a research topic that often receives

interest in most areas of management. It is believed to be a set of analytical and evaluation processes that enable business managers to pursue and achieve predetermined goal goals. Performance are always a matter of interest to both theoretical researchers and experimental managers. In different contexts and approaches, business performance are defined by scientists in different ways.

Since business managers have differences in personal characteristics, so they have different perceptions of the business environment, from which the business activities of each enterprise will also have differences. Personal characteristics related to entrepreneurial competence and business environment has a close relationship with business performance of business. In different contexts, the concept of business performance is adjusted in terms of content and scale components, in order to properly reflect aspects of business performance of the enterprise. The overview can identify specific viewpoints as follows

Approaching from a financial perspective, business performance are evaluated by Esmael *et al* (2018) ^[7] through criteria such as ROI and profit margin. Some other points of view also supplement and generalize financial indicators such as financial indicators measuring business performance, including: an increase in sales, growth of profits, a significant increase market share, resource efficiency, and return on investment (Ahmad and Seet, 2009; Hoque, 2004) ^[2-9].

Non-financial performance indicators often include some of the more familiar concepts in marketing research, such as satisfaction. For business owners, satisfaction is assessed on the aspect of satisfaction with the development of the unit. From the customer's point of view, satisfaction is about the perception of service/product quality. Non-financial performance are also assessed through relationships with other stakeholders such as employees, suppliers, etc.... This includes employees' perception of satisfaction with the enterprise, building a close working environment; good relationship with supply partners; products/services are accepted in the market; build the image and brand of the business (Chandler and Hanks, 1993) ^[4].

3. The influence of green marketing on business performance

The article approaches the view of green marketing as a corporate strategy according to Pride and Ferrell (2008) ^[12], Green marketing is a strategic process involving stakeholder assessment to create meaningful long-term relationships with customers while maintaining, supporting, and improving the natural environment. The elements of the interests of the stakeholders involved in the operation of the business in an overall strategy help shape the methods of tactical deployment, shape the management decisions. According to stakeholder theory, Sundaram and Inkpen (2004) ^[16] argue that stakeholders (customers, suppliers, employees, society...) deserve the attention of management. A company is a system where the relationship between the stakeholders is gathered, and the purpose of the company is to create wealth for all those stakeholders (Clarkson, 1995) ^[5]. Thus, by greening marketing activities, businesses are creating more value for stakeholders, including customers, because green marketing includes a comprehensive strategy of the company for customers. The natural environment, reflected in strategic, tactical and internal cultural decisions.

The value of Green Marketing mainly focuses on the performance that this strategy brings to businesses. While every organization wants to last long, business strategy and

business performance are always the top concern (Raharjo, 2019) ^[15]. Therefore, businesses are not only interested in short-term performance, but also focus on longer-term aspects, corresponding to the goal of sustainable development. With the support of the theory of social responsibility and the theory of stakeholders, a business that wants to develop sustainably must ensure the interests of stakeholders, express the value of the business when perform social responsibility. Business performance assessments from a sustainability perspective are not trending.

Sustainable business performance from the perspective of Schaltegger and Wagner (2006) ^[17] are the performance of all aspects of an enterprise that are evaluated according to the company's sustainability orientation. Takala and Pallab (2000) ^[18] argue that sustainable business outcomes focus on the economic, social and environmental outcomes of sustainable development. This is the goal of implementing social responsibility with stakeholders, and is also the main direction of Green Marketing.

Thus, Green Marketing can be seen as a social responsibility strategy, and sustainable business performance can be seen as the result of the implementation of that social responsibility strategy in order to maintain the development sustainability of the business in parallel with related objects, environment and society. This reinforces the argument about the influence of green marketing on business performance of enterprises.

4. A solution to improve business performance through Green Marketing

In order to improve the purchase intention of consumers, improve business performance of enterprises, from the study, the author builds HR programs for employees because improving consumers' understanding of products and services green products and the benefits of green products are essential. Therefore, every store or point of sale should have a consumer support officer.

Businesses will link up with retail systems to always have on-site staff to support and introduce products to consumers. Besides, the training of employees on the green strategy of the enterprise to align the goals with the organization in each employee's action and thinking. Enterprises can organize training sessions for employees on their green strategy.

In addition, individuals and organizations participating in the supply chain of enterprises also need to participate in classes on increasing customer persuasion skills and training classes, experience exchange sessions on problem solving. The problem can happen every day, according to the green marketing philosophy and strategy of the business.

Each employee and manager should have a clear understanding of the company's green marketing strategy, emphasizing green elements to make a deep impression on consumers. During the training, points on problem solving should also be emphasized. Enterprises make statistics of real situations that have happened and solutions to disseminate them to employees, ensuring compliance and compatibility with the green strategy of the enterprise.

Tactics can focus on promotions, coupons. Therefore, business enterprises can carry out sales promotion campaigns related to environmental properties. Promotions need to be updated to customers regularly to stimulate their purchase intention. Related activities such as sending messages to members of the enterprise, or posting on forums, social networking sites, etc.

In addition, the issue of home delivery also creates favorable

conditions for customers to increase their intention to buy products of enterprises, increasing competition for businesses. Currently, there are many businesses that have successfully applied delivery issues such as Coop Mart, Big C supermarket systems... And for stores, if they cannot afford to build a professional delivery system that can connect delivery services. Therefore, building strategies and balancing budgets to be able to provide free delivery for customers can have a positive impact on consumers. Businesses besides discounting can send coupons to attract customers to visit the store.

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