

GREEN MARKETING: A TOOL FOR ACHIEVING SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract

Recently, green marketing has gained a competitive advantage over other marketing strategies due to the superior role it plays in the society. This study investigated the role green marketing plays on sustaining the development of the Nation. A random sampling technique was adopted for the collection of data and of the two hundred questionnaires distributed, one hundred and seventy two responses were found useable which was analysed using the stepwise multiple regression estimates (SPSS analysis). The study revealed that Green Marketing plays a significant role on customer's loyalty to the organisation as consumers are becoming more conscious of environmental issues and express their loyalty better to organisation that respects their right to a healthy environment. The coefficient of the multiple regression ($R=0.942$) showed that a very high positive relationship exist between Green marketing customer's satisfaction, customer loyalty and the organisations profitability. The adjusted R ($R^2 = 0.887$) which implies that Green marketing accounts for about 88.7% variation in the sustainable development of a nation. It was further revealed that green marketing plays a significant role on sustaining the development of a Nation. It is therefore recommended that organisation must be conscious of her customer's environment in order to promote sustainable development in the Nation.

Keywords: *Green Marketing, Sustainable Development, Green products, Customer's loyalty, customer's satisfaction.*

Background to the Study

Over the years, green marketing has gained so much attention and has become a great object of concern to organizations. The concept gained prominence in the late 1980's and early 1990's when the American Marketing Association (AMA) held her first workshop on "Ecological Marketing." Green marketing entails the marketing of products that are presumed to be environmentally preferable to others. It incorporates a broad range of activities such as product modification, consumer protection, modifying production and distribution process. The question that bothers the mind is, if the concept of green marketing is actually a new approach to marketing or a refocus or readjustment of existing marketing thinking and practice.

Charter and Polonsky (1999) defined green marketing as the marketing or promotion of a product based on its environmental performance and its improvement thereof. Anirban (2012) asserts that green marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs and wants such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment.

Comprehensively, the American Marketing Association (AMA) defines green marketing as the marketing of products that are presumed to be environmentally safe. Thus, green marketing is aimed at ensuring that the needs of consumers are met but not at the expense of the environment. Corporations are increasingly recognizing the benefits of green marketing because it has been observed that in reality, they have been doing very little that is environmentally beneficial.

Statement of problem

The implication of marketing technique on consumer environment is a subject that is rarely considered by most marketing organisations. Most firms seek to maximise profits at whatever cost even at the expense of the consumers well being. The world must be developed according to the needs of the people, but with the obligation of sustainable development as a comprehensive process. Sustainable development is about making models in a qualitative way to meet the socio-economic needs and interests of citizens, while eliminating or significantly reducing the impacts that threaten or harm the environment and natural resources.

Companies that are self-conscious to environment and natural resources for business and profits, also realize a significant contribution to environmental protection. Green companies are ready to address the concerns about the natural environment. Green marketing is the primary segment of social marketing, because it covers the protection and preservation of the values necessary for survival, existence and development of man as a human being, reflecting the practical

support for the implementation of the philosophy of sustainable development of mankind. As society becomes more concerned with the natural environment, businesses have begun to modify their process in an attempt to address society's new issues. Some businesses have been quick to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. Therefore, these days' concepts of green marketing are taking shape as one of the key business strategies of the companies for gaining the competitive advantage, ensuring sustainable consumption of their products in the markets and enjoying sustainable development in the future. There is a triple bottom line – people, planet, and profit and the people part of the equation comes first. Marketers must realize now that green marketing is not purely altruistic - it can be a profitable endeavor for sustainable growth. Realizing the importance of green marketing in sustainable development, this paper seeks to address green marketing as a tool for sustainable development in Nigeria.

Objectives of the Study

The broad objective of this study is to examine how green marketing can facilitate sustainable development in Nigeria. Specifically, this study is aimed at:

1. Investigating the effect of green marketing on the profitability of the organization.
2. Finding out the effect of green marketing on customers loyalty.
3. To ascertain the interrelationship existing between customer satisfaction, customer loyalty and green marketing.

Research Questions

1. What effect does green marketing have on sustainable development in Nigeria?
2. How does green marketing affect the profitability of firms in Nigeria?
3. What impact does green marketing have on customers loyalty?
4. What relationship exists between customer satisfaction, customer loyalty and green marketing?

Review of Related Literature

Anirban (2012) in his study on green marketing and the impact on customers purchasing behaviours, showed from his analysis that, environmental awareness, green product features, green promotion activities and green price affect green purchasing behaviours of the consumers in a positive way.

Oyewole (2001) presented a paper on conceptual link among green marketing, environmental justice, and industrial ecology. From his findings he argued that awareness of environmental justice in the practice of green marketing brings greater profitability. A research agenda is finally suggested to determine

consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so. (Prothero & Fitchett, 2000; Anirban, 2012) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals.

Kilbourne (1998) and Anirban (2012) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The authors emphasize on areas that must be examined for their effect in the marketing/environment relationship, which include economic, political and technological dimensions of the cultural frame of reference.

Karna, Hansen & Juslin (2003) in their findings discovered that proactive marketers are the most genuine and reliable group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. Their findings further gave evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other which in the long run bring about sustainability.

Donaldson (2005) in his study realized and concluded that in general the ecological attitude of consumers changed positively in Britain. The study reported that consumers develop strong faith in products and behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment and in their behaviour.

Alsmadi (2007) in his study on the environmental behaviour of Jordanian consumers, the results reveals that the consumers of today have a high level of environmental conscience. This means that they are mindful of what they consume and its effect on their wellbeing. The same phenomenon has been presented in other researches too (Ottman, et al. 2006; Donaldson, 2005). This exploration into green marketing or eco-friendly marketing is a positive sign for transition in Nigeria to a greener and greater Nigeria and for its sustainable development. (Srinivasa, 2014).

The Concept of Sustainability

Sustainability is one of the most major concepts of modern business thinking (Peattie, 2001). It is widely promoted through the Brundtland Report published by the United Nations in 1987. This report defines sustainable development as a

process that “meets the needs of the present without compromising the ability of future generations to meet their needs” (United Nations, 1987). Sustainability deals with aspects such as increased consumption, population pressure, global warming, climate change, ozone depletion, and loss of habitats and species diversity (Charter et al., 2002).

Sustainability takes a holistic approach by incorporating the three dimensions of environment, society and economy. These dimensions are coined by John Elkington as the Triple Bottom Line. According to Elkington, the Triple Bottom Line does not only focus on the economic value organizations create but also on the environmental and social value they create (Elkington, 1997). By incorporating the Triple Bottom Line, sustainability looks at economic aspects without compromising environmental and societal issues. Sustainability is seen as a process in which organizations strive for continuous improvement towards the three dimensions of the Triple Bottom Line. The concurrence of the three dimensions of the Triple Bottom Line creates sustainability.

Green Marketing and Sustainable Development

According to the World Commission on Environmental Development (1987), Sustainable Development is “meeting the needs of the present without compromising the ability of the future generations to meet their own needs”. The common theme throughout this strategy of sustainable development is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy-efficient operations, better pollution controls, recyclable and biodegradable packaging, and ecologically safe products are all part of green marketing which also leads to sustainable development.

Green Marketing Opportunities and Challenges

According to the literature the increasing environmental consciousness among consumers creates opportunities for firms that are willing to act upon it (Ambec & Lanoie, 2007; Ottman, 1992). The opportunities presents itself on both sides of the equation; reducing cost and generating revenue (Ambec & Lanoie, 2007). It has been argued that by focusing on greening the firm and products new segments can be targeted; segments that are characterized by green buying preferences. It also offers the opportunity to differentiate from the market (Ambec & Lanoie, 2008; Ottman, 1992). Moreover, access can be gained to certain markets not accessible before. Purchasing policies from public and private organizations increasingly use environmental criteria to choose their suppliers (Ambec & Lanoie, 2007). Other

mechanisms presented by the literature are; enhancing corporate and brand image, increasing loyalty among customers, willingness to pay a premium on green products (Ottman, 1992) Using Cost reductions can also be realized by greening the firm. Kotler (2001) predicted that an increasing number of companies would switch their focus from a "marketing concept" to a "societal marketing concept". This last concept is defined as the commitment of an organization to not only meet the needs of its target more effectively and efficiently than its competitors, but also maintain or improve the well-being of both its customers and society. Furthermore, the demand from consumers for environmentally-friendly products increases and the environmental legislation in various countries forces companies to reassess their costing models (Shrivastava, 1995) Research indicated that consumers choose or avoid buying products, dependent on their impact on the environment (Davis, 1993; Ming, 2010). There are also studies that indicate that consumers are willing to pay more for less environmentally harmful products, which is an interesting fact for companies planning to "green" their processes (Coddington, 1993; Ottman, 1992).

Studies have however been performed on the effect of green benefit claims on brand attitude (Hartmann, Vanessa, & Javier, 2005 and Srinivasa, 2014). The study supports significant attitude effects of both functional and emotional green positioning strategies. Also, some studies have been performed on linking green brand identities (of which green benefit claims could be a part) to brand awareness and firm performance (First, 2007, Hart, 1994). According to Ming (2010), whether sustainable development "pays" is not that relevant from a moral or normative perspective, however, if green management coincides with their economic interest progression toward sustainability is more rapidly made. Merely normative obligation is not enough to motivate businesses to incorporate green initiatives. Today it is more widely accepted that green management can be profitable (Porter & van der Linde, 1995; Sharma, et al. 2012). As observed in numerous accounts (Porter & van der Linde, 1995; Polonsky et al. 2001), many firms no longer resist green management. Rather they try to incorporate and profit from it. Indeed, there is little doubt that for some companies, green management has created opportunities for competitive advantage. These companies not only have been able to lower costs and achieve cost leadership by pursuing environmental efficiency, but they also have pursued a differentiation or a focus strategy based on developing "green products" for niche markets (Shrivastava, 1995).

Green Consumer

Elkington (1997) and Anirban (2012) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use

materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

The green consumer is generally defined as one who adopts environmentally friendly behaviours and/or who purchases green products over the standard alternatives.

Research Methodology

A survey research method was adopted for the study, data was collected using a five point likert scale questionnaire which measured how green marketing contributes towards sustainable development. Random sampling method was adopted by the researchers in the selection of respondents. The data collected from the field was collated and analyzed in to logical statements using regression analysis. This is to establish any relationship between green marketing and sustainable development.

Table 1: Mean and Standard Deviation Scores of Green Marketing on Sustainable Development in Nigeria

| Items | N | Mean | Std. Dev | Min | Max |
|---|-----|--------|----------|------|------|
| I am fully aware and have a good understanding of sustainability issues in Nigeria. | 172 | 4.4826 | .0875 | 1.00 | 5.00 |
| Sustainability is one of the decision-making factors in every organization | 172 | 4.4884 | .3952 | 1.00 | 5.00 |
| I believe in the concept of green marketing | 172 | 4.8779 | 0.3826 | 1.00 | 5.00 |
| I am aware of companies going green. | 172 | 4.9477 | 0.2860 | 1.00 | 5.00 |
| I know the environmental reputation of the companies that produce my products | 172 | 4.4593 | 0.1913 | 1.00 | 5.00 |
| I prefer green products than normal products. | 172 | 4.4419 | 0.3217 | 1.00 | 5.00 |
| I am ready to bear extra cost for green products | 172 | 4.9709 | 0.1619 | 1.00 | 5.00 |
| It is difficult for all the companies to implement green marketing | 172 | 3.4186 | 0.0740 | 1.00 | 5.00 |
| Government should play a vital role in green marketing. | 172 | 4.4186 | 0.3021 | 1.00 | 5.00 |

| | | | | | |
|--|-----|---------|--------|------|------|
| I support green marketing and sustainable development strategies | 172 | 3.3895 | 0.2682 | 1.00 | 5.00 |
| Green marketing and sustainable development are very much essential in the present society | 172 | 4.4651 | 0.1164 | 1.00 | 5.00 |
| The green marketing techniques are superior to normal marketing | 172 | 2.3256 | 0.0791 | 1.00 | 5.00 |
| Green companies can have competitive advantage over normal companies | 172 | 2.3488 | 0.0832 | 1.00 | 5.00 |
| The consumers will become loyal to green companies | 172 | 2.7791 | 0.1201 | 1.00 | 5.00 |
| I belong to and actively participate in a group that supports environmental issues | 172 | 1.4419 | 0.0217 | 1.00 | 5.00 |
| Organization that practices green marketing has more customers than others that don't. | 172 | 1.9709 | 0.0391 | 1.00 | 5.00 |
| Green Marketing has greatly enhance customers satisfaction which invariably has made them more loyal | 172 | 1.4593 | 0.0156 | 1.00 | 5.00 |
| Everyone is responsible for successful green marketing concept. | 172 | 2.7791 | 0.1923 | 1.00 | 5.00 |
| In future we may have only green products | 172 | 2.1744 | 0.2593 | 1.00 | 5.00 |
| The country's GDP will be better if green marketing is well promoted | 172 | 1.59819 | 0.0135 | 1.00 | 5.00 |

Source: field survey 2014

The above table shows the perception of green marketing as perceived by consumers in some selected areas. The mean score of the respondents for each of the statement shows that on the average the consumers tends to believe that green marketing leads to sustainable developments as revealed by the high average scores and low standard deviation. The result buttresses the fact that the introduction of green marketing and green companies will lead to sustainable development in the nation.

Table 2: Green marketing has no interrelation effect on customer's satisfaction, profitability and loyalty

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .942 ^a | .887 | .885 | .36856 |

a. Predictors: (Constant), Green Marketing

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| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig. | Lower Bound | Upper Bound |
|-------|-----------------------------|---------------------------|---|------|-------------|-------------|
| 1 | (Constant) | | | | | |
| | Green Marketing | | | | | |
| | Customer Satisfaction | | | | | |

^a Predictors: (Constant), Green Marketing

^b Dependent Variable: Sustainable development

Coefficients^a

| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig. | Lower Bound | Upper Bound |
|-------|-----------------------------|---------------------------|---|------|-------------|-------------|
| | | | | | | |
| 1 | (Constant) | | | | | |
| | Green Marketing | | | | | |
| | Customer Satisfaction | | | | | |

^a Predictors: (Constant), Green Marketing

Findings and Conclusion

The tables above show the results of the regression analysis. The stepwise multiple regression estimates the coefficients of the equation, involving two or more independent variable that best predict the value of the dependent variable. The result showed that R² regression value is .887 meaning that Green marketing accounts for about 88.7% for the variation of sustainable development. This means that there is a significant relationship between green marketing as a

strategy and sustainable development. F-value statistics is 441.646 shows that the overall equation is significant at {sig. level = 0.000 (i.e $p < 0.05$)}.

Coefficients table further indicates that variables such as green marketing and firms profitability $p = 0.020$, $P < 0.05$, Green marketing and customer loyalty ($P < 0.05$), and Green Marketing and Customer Satisfaction ($P < 0.05$). The P values are all highly significant which reveals the significant role Green marketing plays on profitability, on customers loyalty, customers satisfaction and sustainable development. Hence, this implies that the non adoption of the above mentioned factor or strategy results to poor or no sustainable development.

What Effect does Green Marketing have on Sustainable Development?

Consumers have expressed strong concerns about the concept of green marketing and Sustainable development. Respondents Strongly Agree that sustainability is the most important factor in decision making. People are aware of green environment because it is less detrimental to the environment and companies can look into implementation of this concept for betterment of business. From the result in the table above, it shows that green marketing plays a significant role in sustainable development. If we analyze the facts pertaining to green marketing the significant results are positive at one end. On other end, consumers say that it is difficult for all the companies to implement green marketing. Therefore it is important for organizations to start adopting green marketing as a mean for sustainable development.

The Effect of Green Marketing on the Profitability of the Organization

Environmental education refers to organized efforts to teach about how natural environments function and particularly how human beings can manage their behavior and ecosystems in order to achieve sustainable development and profitability (Wikipedia, 2014). There is now a real sense that environmental protection is highly necessary. Everyone believes a green life is a better and healthier life for present and future generation. Most consumers' spending pattern shows that they have a desire for brands that 'go green'. Consumers not only want to buy their products but are willing to pay more for it. It was therefore noted from the result that organization will make more profit if they go green which shows a significant relationship between green marketing and profitability.

Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market and have their customers loyal to their products, they need to go green in all aspect of their business. Consumers want

to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. To pay a premium means that the consumers are satisfied with their products (Rashad and Igbazua 2011). As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

Marketers need to understand the implications of green marketing. In this 21st century, one would think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, let such think again. Organizations must find an opportunity to enhance their products performance and strengthen their customer's loyalty and command product demands and higher price. Green marketing is still in its infancy and requires growth for sustainable development and a lot of research is to be done on green marketing to fully explore its potential. This means that organizations should tap into adoption of green marketing because it is still a golden goose, and can be a very powerful marketing strategy though when it's done right.

Government is not also left out in this race; government should ensure that every organization that is out to make profit or not should adopt green marketing as a strategy for sustainable development.

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