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The Awareness And Implementation of Green Concepts In Marketing Mix: A Case of Malaysia

Abdullah Osman^a, Yusuf Hj Othman^a, Shahrul Nizam Salahudin^{b*}, Muhammad Safizal Abdullah^c

^a*Kulliyah Muamalat, Insaniah University College, 09300 Kuala Ketil, Kedah*

^b*College of Business, Universiti Tenaga Nasional, 26700 Muadzam Shah, Pahang*

^c*School of Business Innovation & Technopreneurship, Universiti Malaysia Perlis, 01000 Kangar, Perlis, Malaysia.*

Abstract

The concept of green marketing has become the buzzword in the last decade as a result of dramatic increase in environmental consciousness worldwide. Consumers are increasingly realizing the importance of protecting the environment through product choice while companies are increasingly considering the impact of their activities to the environment. This study will look at the level of awareness on green product concepts among marketing managers and whether there is a connection between their awareness with convictions in their day to day operations. A survey on personal care products manufacturers in peninsular Malaysia was carried out to fulfill the objectives of this study. The main finding was there is significant relationship between manager's awareness on green concepts and the practice of green programs or activities at a company. The study also found correlation between manager's awareness and the implementation of green concepts in company's marketing mix. In response to the overall findings of the study, several recommendations were made.

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*Corresponding author. Tel: +609-4552020; fax: +609-4552006

Email address: ShahrulN@uniten.edu.my

1. Introduction

Over the past few years, the environment has become a persistent public issue (Baumann & Rex, 2006) with some calling the 1990s as the “Earth decade”, or “the decade of the environment” (Bradley, 2007). Some environmental problems has been link to human consumption, and this has brought the environmental awareness in many parts of this world has increased and this has been further translated into their attitude towards purchasing green products. Many of these consumers not only give pressures on the firms but they also have taken personal steps to reduce their personal impact on the environment via activities such as recycling and reusing their household items (Prakash, 2002). Consumers are demanding green options and are willing to pay a premium price (Charter & Polonsky, 1999).

Although green marketing is a more persistent issue in the western countries, the emerging economies in Asia are not left too far behind. Interest in green marketing is not only hailed as panacea for struggling companies (William & Sinkula, 2005). In fact, as observed by Crane & Desmond (2002), consumer awareness on environmental issues are steadily gaining ground in this part of the world. Therefore, businesses need to give environmental responsibility a high priority, not only for the sake of the consumers but also to increase business effectiveness. Firms with good records on the environment are seen as well managed and visionary. Successful marketing of green goods and services both reduces the consequences of environmentally non-sustainable business practices and improves organizational performance (Hart & Milstein, 1999; Ginsberg & Bloom, 2004).

2. Literature Review

Green marketing has been well recognized as broader concept by scientific community and defined in various ways all over the world. Polansky (1995), in his research has defined green marketing as a marketer’s attempt to develop strategies targeting the environmental consumers. The term has also been describes as an organization’s efforts at designing, promoting, pricing and distributing products that will not harm the environment (Fuller, 1999). Essentially, it refers to the markets of products that are less toxic than normal, are more durable, contain reusable materials or are made of recyclable materials (Ottman, 1992). Green marketing is the holistic management process responsible for identifying and anticipating satisfying the needs of customers and society in a profitable and sustainable way (Peattie & Crane, 2005).

A green consumer can be identified to be one who avoids any product which may harm damage to any living organism, cause deterioration of the environment during process of manufacturing or during process of usage, and consume a large amount of non-renewable energy (Elkington, 1994). There have been a number of different factors which are instrumental in promoting green consumers to purchase green products. Extensive research over the years identifies; increased level of information availability on environmental sustenance, green advertising by corporation, increased concern for environment, and increase in popularity of green products by social and environmental charities (Ottman, 2008).

For the purpose of establishing awareness towards green marketing, particularly on the aspect of products, previous research discovered that companies attempt to augment consumer awareness of the products and its environmental attributes in the hope of bringing about purchase behavior (Prakash, 2002). However, the actual nature of the link between environmental awareness and environmentally behavior is still to be established. Previous research by Bonni and Oppenheim (2008); Maheswari and Malhorta (2011); and Tolliver-Nigro (2009) have discovered that environmental awareness has little impact on behavior. Awareness of the benefits of a green product’s use on the environment may have an impact on whether or not product is purchased and consumed (Murthy, 2010).

3. Research Methodology

The present study is descriptive in nature. For conducting the research, data have been collected from both primary and secondary sources. The primary data have been collected through a structured questionnaire with a Likert type 5 point scale and applying a simple random sampling method in selecting respondents. Respondents of the study were 100 personal care product manufacturers in Malaysia. Personal interview technique has been used to administer questionnaire. Statistical Package of Social Sciences (SPSS) was used for analyzing the data.

4.0 Result and Findings

a. Level of Awareness on Green Product Concepts

In order to study the level of awareness on the issues of green marketing among the respondents, 10 statements related to the green product concepts were asked. The findings indicate that 71% respondents were highly aware on the issue of *recycle material*, 25% respondents moderately understood the concept while 4% reported that their level of knowledge is little. Majority of the respondents (87%) were highly aware about the issue of *animal testing on products*. Only 13% had a moderate understanding about the issue. Similarly, an overwhelming majority 74 (74%) indicated a high awareness on the issue of *ozone-friendly* while a minority i.e. 26 (26%) responses had a moderate understanding. As far as the concept of *recyclable products* is concerned, 71 (71%) respondents were highly aware, 23 (23%) respondents understand the issue moderately while 6% have little understanding about the issue. Regarding the concept of packaging, 57 (57%) respondents indicated that they have high understanding about the issue of *returnable or reusable packaging*, 31 (31%) respondents indicated moderate understanding while 12 (12%) respondents knew little about the issue. On the issue of *refillable packaging*, 66 (66%) respondents were highly aware while 34 (34%) respondents knew little about it. With regard to the concept of *biodegradable products*, majority of the respondents with 80 (80%) of them had high understanding on the matter, 18 (18%) respondents indicated a moderate understanding while the remaining 2 (2%) respondent had little understanding on the matter. The respondents level of awareness on the concept of *toxic-free material* showed that 77 (77%) respondents knew highly about the matter while the rest i.e. 23 (23%) respondents knew little about the issue. In the case of safe ingredients and use of natural extracts are concerned, majority of the respondents i.e. 89 (89%) respondents knew the issue of *safe ingredients* highly while 83 (83%) respondents knew the issue of use natural extracts highly. The remaining respondents for each respective variable knew moderately about the above-mentioned issue moderately. Comparing all of the green products related issues; it is apparent that the issue of *safe ingredients* was the most highly understood by the respondents. This is followed by the *not tested on animals* and *biodegradable issues*.

b. Implementation of Green Marketing in Company's Marketing Mix

In order to study the implementation of green product marketing among the respondents in this study, the questions were designed to cover all the marketing mix elements (products, price, place, promotion). The result is as follows:

(i) Products

Comparing the mean score of all product related green marketing activities, it is obvious that three activities i.e. producing products that are *ozone-friendly*, *not-tested on animals* and *biodegradable* are among the most implemented activities by personal care products manufacturers in Peninsular Malaysia. On the other hand, using *refillable packaging* and *returnable or reusable packaging* are among the least implemented.

Table 1: Means Scores in the Implementation of Green Marketing on Products

Implementation of green marketing on products	Mean score	Std deviation
Ozone friendly	4.7059	.4625
Not tested on animals	4.6471	.5971
Biodegradable	4.5294	.5633
Used natural extracts	4.4118	.7434
Recycled materials	4.3235	.8428
Returnable/reusable packaging	4.0606	1.1163
Refillable packaging	3.1471	1.0190

(ii) Pricing

There were 40% respondents who agreed highly that price of green products should be higher than chemical based products statement and 46% responses on moderately agreed. There were 14% respondents said that there should be no difference in price between green-products and chemical- based products. On the statement ‘the price of products manufactured should be inclusive the cost of preserving the environment’, 30% respondents highly agreed with the statement, 52% respondents moderately agreed with the statement while 12% respondents argued that the price charged should not be inclusive the cost of preserving the environment.

(iii) Place/Distribution

On the statement “at the retail outlets, the company put emphasis on providing both an environmentally friendly and relaxed atmosphere”, the highest number of 40 (40%) said that they put very little effort on emphasizing both an environmental friendly and relaxed atmosphere at the retail outlets, 52 (52%) respondents indicated that they moderately emphasize it in their operations while 9 (9%) respondents put great effort on the practice. On the aspect of whether distributions of products is designed so as to minimize negative impacts on the environment, 49 (49%) of the respondents said that the distributions of products are moderately designed to minimize negative impacts on the environment while 32 (32%) respondents indicated that the distributions of products are hardly designed to do this. Only 20 (20%) respondents said that the distributions were very little designed to minimize negative impacts on the environment. It can be seen that both factors are not very well implemented by the manufacturers, which can be seen from their respective mean values i.e. 3.5152 and 2.8182. Comparing both factors, it seems to indicate that company tend to design distributions strategies that minimize negative impacts on the environment more than they emphasize environmentally-friendly and atmosphere at the retail outlets.

(iv) Promotion

On the statement of whether “ products manufactured are promoted as environmentally-friendly products”, 46 (46%) respondents indicated that the products they manufactured are moderately promoted as environmentally-friendly products and 40 (40%) respondents said their products are highly promoted to the consumers as environmentally products. A small number of 14 (14%) respondents were very little practicing this.

Table 2: Green Marketing Concepts in Company’s Promotion

Concepts	N	Mean	Std deviation
Products are promoted as environmentally friendly	100	4.5294	.8066
The company is willing to invest in launching campaigns to project environmentally conscious corporate images and promote environmentally products	100	3.4412	.8596
The company uses recycled paper to produce promotional leaflets and brochures	100	4.2353	.8187

Among all the promotional factors, it can be concluded that companies strongly promoted their manufactured products as environmentally friendly (mean=4.5294). This is followed by the use of recycled paper to produce promotional leaflets and brochures (mean=4.2353).

c. Link between Awareness and Implementation

Correlation test to find if there is any link between awareness on the concept of green marketing and the implementation of green marketing activities yield significant and positive correlation between awareness and implementation with the coefficient of .047.

Observation in Implementing Green Marketing

There are some of the reasons given by companies on why they find it difficult to implement green marketing concepts in their operation. The factors that are:

i. Competitiveness

As the result of government tariff and quota on the recyclable and biodegradable material are the cost input using such material become higher and this has discourage some of the companies from using the more costly but environmentally friendly materials.

ii. Lack of government support

Local government plays little proactive role in promoting green products compared to that in western countries, thereby discouraging manufacturers and marketers from implementing the concepts in their operations. Although there are some programs organized to enhance the important of preserving the environment, but almost all the programs were only focus on the short-term effect and for the benefit of existing generation. There is less of effort on organizing such programs for the benefit of future generation.

iii. Newness of green marketing issues in Malaysia

Although the concept of green marketing has been wide spread in western countries, the issue is still relatively new especially for low-education and rural consumers. Even the media do not publicized the concept vary much expect during special even such as Environmental Day. Therefore the public also do not put very high emphasize on green products. Lack of market demand discourages manufacturers from focusing on green marketing.

iv. Lack of consumer reaction

Lack of consumer reaction on manufacturer's attempt to green its product via product concept such as returnable packaging. Many consumers do not bother to return the packaging(s) or recycle them. Due to this negative attitude, some companies feel that there is no need for them to use returnable packaging, as it will also increase their production cost.

5. Conclusion

Having achieve all the objectives this research set out to do, it can be concluded that here is a correlation between manager's awareness on green concepts with the implementation of green marketing among the personal care product companies in Peninsular Malaysia. The challenge now is to enhance managers' environmental awareness in order to ensure more environmentally friendly practices. However it must be noted that for the organization to play an active role in preserving the environment, it would involve commitment in the organization as a whole. All the departments in organization should be committed to provide the same level of environmental responsibility, which will be accepted by not only the customers but also the government and the employees as well. Notwithstanding the limitations of this study, several avenues for future research in the area of green marketing are suggested. In order to ensure validity of the findings in this study, there is a need to carry out similar study with different types of research technique such as focus group or personal interviews. Future research might also consider additional green issues dimensions other than those being asked in this study.

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