



Green marketing orientation: Conceptualization, scale development and validation



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ABSTRACT

As green marketing becomes an essential tool for sustainable business strategy, companies are adopting green marketing practices to achieve better business performance. However, no research has yet operationalized all the organizational facets that are necessary to become a green marketing oriented company. To address this omission, following the literature in measurement theory, this investigation reports a series of 4 studies and develops a scale to capture the holistic approach of green marketing. This study introduces the construct of green marketing orientation, which comprises three dimensions: strategic green marketing orientation, tactical green marketing orientation and internal green marketing orientation. The scale shows internal consistency, reliability, construct validity and nomological validity. Directions for future research and managerial implications of the new construct are discussed.

1. Introduction

Despite the ubiquity of green/environmental narratives in the marketing literature remarkably few empirical studies guide businesses to integrate and operationalize green marketing in everyday business practice (Fuentes, 2015). Consequently, green marketing fails to achieve its potential for improving the quality of life for consumers, nor benefits the ecosystem (Polonsky, 2011). Past reliance upon economic logic, technological fixes, eco-innovations and environmental add-ons at the periphery of marketing strategy have not delivered transformative change for individuals and society, nor significant competitive advantage and value for business (Geels, McMeekin, Mylan, & Southerton, 2015; Kotler, 2011). This paper addresses the need for a more integrated and holistic analysis of green marketing practice through the development of a conceptualization of *green marketing orientation* to capture the organizational facets that operationalize a green marketing oriented organization.

The focus on sustainable consumption and production represents a policy and research imperative, stretching back to the mid-1990s' environmental reports from the UN, OECD and World Business Council for Sustainable Development (Peattie & Crane, 2005). Global financial crises, post-Brexit challenges and a shifting corporate social responsibility landscape (Porter & Kramer, 2011; Stoeckl & Luedicke, 2015) are pushing sustainable development to the fore, and managers

recognize the need to operationalize green marketing throughout the organization, and build sustainability into the performance of their people, products and services (Unruh & Ettenson, 2010). Companies that implement holistic environmental strategies send a strong message to their stakeholders that they recognize the business risks and importance of today's environmental challenges, demonstrate care for society and the ecosystem, but also understand green marketing as an internal and external opportunity (Lash & Wellington, 2011) that can achieve low costs, additional profits, competitive advantage through differentiation, and business development (Gordon, Carrigan, & Hastings, 2011; Kotler, 2011).

Researchers and business leaders urge companies to meet their social responsibilities, but this can only be achieved via the combination of good business practice and sustainability (Geels et al., 2015; Polonsky, 2011). Researchers and practitioners have made considerable efforts (for more comprehensive reviews see; Chamorro, Rubio, & Miranda, 2009; Charter & Polonsky, 1999; Leonidou & Leonidou, 2011; Papadas & Avlonitis, 2014) to address pressing environmental challenges and operationalize green marketing (Kotler, 2011). However, Peattie and Crane (2005) conclude that green marketing has significantly underachieved and the current literature in environmental/green marketing remains emergent regarding its applied value in practice (Fuentes, 2015). While past studies generate useful theoretical and conceptual insights into the attitudes and

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behavior of green consumers, and provide valuable debate concerning green marketing programs, they have limitations. Although the question of how green marketing should be undertaken is well rehearsed, few contributions provide any practical construct that could combine the fields of both environmental orientation and environmental/green marketing concepts. Recognized shortcomings include weak conceptualizations of Green Marketing, the absence of a generally accepted Green Marketing framework, and the absence of a rigorous operationalization of the construct.

Against this background, this study advances the extant literature and makes several contributions beyond a theoretical perspective, including adding value to the application of green marketing in practice. It provides a clear definition for Green Marketing Orientation, and for the first time conceptualizes and operationalizes its domain; empirically tests the influencing factors and outcomes of such an orientation in organizations, and provides a coherent, evidence based and empirically tested framework for successful green marketing strategy. The findings extend prior empirical studies by supporting the relationship between green marketing and performance, and highlight the importance of studying the effects of different elements of – external and internal – green marketing strategy on business performance. More generally the findings provide managers with a comprehensive view of what constitutes a green marketing orientation, and how it could be holistically operationalized for external and internal effect. The research contribution presents academia with a developed theory of Green Marketing Orientation, and a reliable and valid scale to measure the level of this orientation in an organization. The findings offer opportunities for researchers to undertake research using a novel concept to further validate the proposed theory and both confirm and further explore the importance of a Green Marketing Orientation for an organization's success.

2. Theoretical background of ecological/environmental/green marketing

Early research positions marketing within an environmental context by integrating ecological issues to marketing strategy, and introducing concepts such as *ecological marketing* (e.g. Fisk, 1974; Henion & Kinneer, 1976), *green marketing* (e.g. Ottman, 1993) or *environmental marketing* (e.g. Coddington, 1992; Peattie, 1995). Authors mostly draw attention to the negative impacts of marketing on the natural environment, including Henion and Kinneer (1976) who first debated the interdependency of marketing and ecology. Despite the novelty of the concept, *ecological marketing* tends to focus on the most toxic and damaging industries (such as mining or chemicals) while few of those industries adopt ecological principles. Historically, the majority of companies perceived environmental issues as a constraint and cost factor rather than a marketing function (Shrivastava, 1995), a view that endures for

some organizations (Geels et al., 2015).

In the late 1980s, changing social and business landscapes mirrored the appearance of environmental and green marketing within the marketing literature (Prothero, 1998). Compared to Ecological Marketing, Green/Environmental marketing narratives are not limited to energy consumption and resource depletion but capture environmental issues like species extinction, ecosystem destruction and the broader moral externalities or unintentional harms (Gowri, 2004) that can occur at each stage of the marketing supply chain (Charter & Polonsky, 1999). Environmental issues are now a core competitive factor in product markets (Belz & Peattie, 2009; McDonagh & Prothero, 2014). There is a much broader adoption of environmentally friendly behavior across all industries compared to the ecological marketing era where the focus was primarily on what remain the front line polluters. Since the 1990s, green/environmental marketing features across the consumer goods industries, for example clothing (Fuentes, 2015), electronics (Gershoff & Frels, 2015), even services and tourism (Wells, Manika, Gregory-Smith, Taheri, & McCowlen, 2015).

The term green marketing prevails in managerially oriented studies due to its unique promise to deliver both commercial and environmental sector wins (Grant, 2010). By its nature, green marketing seeks to address the lack of fit between current marketing practices, and the ecological and social realities of the wider marketing environment (Belz & Peattie, 2009). Following from the aforementioned research, this study uses the widely accepted term, *green marketing*. While many green/environmental marketing definitions exist (e.g. Fraj, Martínez, & Matute, 2011; Peattie, 1999), most suggest that the firm's, consumer's and society's needs be satisfied in a profitable and sustainable way, and be compatible with the natural environment and eco-systems.

3. Conceptualization of green marketing orientation

Previous green marketing research (e.g. Chamorro et al., 2009; Leonidou & Leonidou, 2011) identifies three pillars that are central tenets of the discipline, namely strategic green marketing, tactical green marketing and internal green marketing. However, surprisingly few empirical studies provide an integrative framework that offers a whole organizational approach to the green marketing concept. Empirical evidence demonstrates the existence of multidimensional approaches to green marketing as well as performance linked outcomes (e.g. Baker & Sinkula, 2005; Fraj et al., 2011). Despite the empirical contribution of these works, the present study builds on the current literature by capturing the more integrative perspective of a green marketing strategy. For that purpose, the term green marketing orientation (GMO) is coined to address a firm's holistic orientation to the natural environment. Table 1 also provides an overview of related constructs and reflects what the study contributes to existing knowledge in the field.

Table 1
Related constructs on green/environmental marketing.

Construct	Overview	Green marketing orientation (GMO)
Enviropreneurial marketing Menon and Menon (1997)	A multiple stakeholder view - integration of environmental goals within corporate strategy.	This strategic approach is reflected in the strategic dimension of GMO which also includes the perspective of innovation, technology and market research.
Green marketing strategy Fraj et al. (2011)	A two-dimensional construct consisting of <i>process-oriented market environmental actions</i> and <i>market-oriented environmental actions</i> . The former refers to internal processes such as eco-design and green logistics. The second refers to short-term focus on green advertising and use of eco-labels.	The approach of GMO is that such activities should be considered as tactical, short-term activities based on the nature of their decisions. This clarification helps in better understanding the functionality of a green marketing strategy and the separation of strategic, tactical and internal green marketing activities.
Green marketing programs Leonidou et al. (2013)	Focus on the marketing mix and the minimization of its negative environmental impact.	Tactical dimension addresses this marketing mix approach – In addition, GMO provides a holistic view of a green marketing strategy which brings together strategic, tactical and internal marketing activities.

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