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## Green Marketing and Corporate Environment Strategy

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### **Abstract:**

*In this paper, we examine green marketing strategies and specifically we try to determine environment-friendly customer loyalty strategies and techniques in a hypermarket context. In recent years, Tunisia, like all European countries, has been involved in international projects to protect the environment and has therefore followed European guidelines and standards. Companies' environment management tools are now diversified more than ever. For example, mapping tools and their efficiency assessment have become real management tools. Sustainable development and environmental ethics have now become a research topic that is attracting the attention of many green marketing researchers around the world. Then, this study tries to determine the impact of the new approach of green marketing on Tunisian customer behavior through a case study of the Carrefour group.*

**Keywords:** green marketing, environment, green brand, marketing strategy, consumer attitudes.

### **1. Introduction**

In recent years, individuals, businesses and institutions have grown aware of the importance of the environment protection and putting in place regulations to that end. Importantly, there is a wide spread concern with the phenomenon of greenhouse effects. In addition, citizens around the world show a particular concern with these issues, in particular global warming, believed to negatively affect public health. Thus, in this worrying scenario, companies started to integrate green marketing strategies into their product promotion and packaging efforts supported by environmental policies and manufacturing processes. Business leaders are now including in their corporate strategies the notion of ecological/environment-friendly marketing in relationship with the traditional concept of the marketing mix. This new concept needs an understanding of the legal processes and public policies therein. We can therefore conclude that green marketing is becoming a multilayered concept that covers a wide range of activities. In the literature, several authors and researchers interested in this subject showed disagreement on a universal definition of green marketing. These authors defined all the main elements of green marketing. Depending on Polonsky (1994), the notion of environment protection and the notion of green marketing directly or indirectly affect all activities, designed to satisfy human needs, yet with a direct and a negative effect on the environment. According to Mintu and Lozada (1993) present and define the green marketing as the execution of the tools used to facilitate transactions that meet individual and companies objectives and ensure at the same time the protection of the environment. According to Stanton and Futrell (1987), the concept refers to all efforts and initiatives designed to copile and present tools to facilitate any exchange designed to meet human needs, desires and wishes. Therefore, its objective is to ensure the interest of the companies and all its consumers and to protect them at the same time. This latter definition also highlights the need to protect the environment. Equally, this latter view points to the destructive dimension of human consumption. For a greater clarity, products opting for green dimensions should indicate that they are "less harmful to the environment" rather than "environment-friendly". The new approach of green marketing to consider minimizing harms and damages to the environment and not necessarily eliminating them all at once. Industrial factories are also relevant to this debate as they admitted that their entire production and consumption system determines environment quality.

### **2. Importance of Green Marketing**

In the literature, many studies have been focused on the influence of industries on the environment. At this level, it is important to put an emphasis on the relationships the different actors, people, and organizations have with the environment. In this relationship, different stakeholders, environmentalists, consumers, and businesses exert a huge pressure on governments, keeping them as a constant scrutiny of their daily operations. Consequently, in developed and developing countries, governments started to enact very strict environment protection laws and regulations. Meanwhile, citizens and consumers in these countries are increasingly voicing their need for environment-friendly products, even though they agree and are willing to pay for these products a considerable price. These range from planning their processes, designing their production system to managing their relationship

with consumers and end users. Therefore, to meet market requirements and be competitive in the face of the challenges imposed by environmentalists and relevant organizations, companies need to remodel their marketing strategies, redesign their products and services and customer management apparatus.

Under this new approach, companies should opt for new technologies to manage water, land and air pollution. Among the solutions offered, companies can adopt product standardization policies to guarantee the provision of environment-friendly products, truly organic and natural. In this regard, most organizations take into account the phases of a product's life cycle before and after its consumption. Companies can remedy this by inventing strategies and visions to reassess the products. This life-cycle reassessment initiative should consider the integration of the environment into product development and design, taking into account energy, inputs and outputs from the beginning of production to final consumption and disposal (Polonsky, 1994).

### *2.1. Relationship between Green Marketing and Businesses*

The business world is witnessing deep changes with the emergence of this concern with the environment. Accordingly, the 21st century corporate ethics code is go green. Profitability is the goal and main purpose of organizations. Achieving profits in order to achieve sustainability is the goal of any business. For companies, it is important that they should be aware of their duties to the environment. Practically, to engage in these policies, the company's first concern should be placed on environment conservation rather than on improving the company's profitability (Boztepe, 2012). As profitability is the major target, green marketing can benefit companies through promoting not only advertising, but also the implementation of a business process that respects the environment. The opportunities sought by companies should have a strong impact on improving companies' attitudes if they want to engage in environmental-friendly business activities. To that end, they need to claim that their products comply with the required valid certified eco-labels.

### *2.2. Green Marketing and Marketing Mix*

Most of literature confirmed that there is a significant relationship between the 4Ps of marketing mix and green marketing (Kontic, Biljeskovic and Brunninge, 2010). The marketing mix essentially denotes the different strategies that a company invents to bring goods or services on the market. Concern with the environment is a dimension to which the marketing mix should show in green marketing full responsibility. The marketing mix referred to the 4Ps, covers the dimensions of product, price, place and promotion. Extended the marketing mix to the service sector, three other dimensions are added to form the 7Ps. These are people, processes and physical evidence. The essential of green marketing consider that all dimensions of the marketing mix will have a green perspective on the design of the concept, the implementation of strategies, the launch of a product on the market and finally on the evaluation and monitoring strategies. If some good is manufactured in an environment-friendly way, it can be named as a green product. During the production phase, companies should be aware of environmental pollution. Natural resources should be preserved when raw materials are physically disposed of from a product. Waste management capacities should be considered at this level (Arseculeratne & Yazdanifard, 2014).

Therefore, the green price is considered a premium price as the product is marketed in the form of promotions. Consumers should be convinced to pay a premium for the marketing efforts to continue targeting the optimization and the streamlining of spending. Prices of packaging materials must also be formally supported by companies to offer appropriate green products. Indeed, an attractive system has been set up by some entrepreneurs in which estimation of packaging costs represents a significant portion of a unit's cost (Arseculeratne & Yazdanifard, 2014). Then, in order to reduce environmental degradation, it is important to take into account green distribution. Upon shipment of goods, damages can be significant. Therefore, safety standards should be implemented when shipping goods (Arseculeratne & Yazdanifard, 2014). A very important element when opting green marketing is to consider putting strategies in place beforehand. Direct marketing is also seen as a very important channel for informing customers and communicating important information to Go Green consumers. Among the most used platforms to launch a green product are public relations and advertising. Going green is sometimes transformed into a major networking exercise. In order to promote different ranges of products and justify their characteristics and prices Green advertising could be used as an effective means. Research in this area has shown that most customers and users aren't conscious of the green products advantages, due to lack of information and awareness raising. In order to solve this problem and to fill this gap, companies should opt for a green promotional strategy. Overall, wide awareness efforts have to be considered in order to inform customers of the types of environmental problems caused by a product. This awareness-raising action will certainly lead to conviction and therefore customers can express their interest in healthy goods (Arseculeratne & Yazdanifard, 2014).

### *2.3. Consumer Behavior and Green Marketing*

The emergence of the concept of "green consumerism" has therefore become a need for health protection. The consumer using green product can be defined as the person who supports environment-friendly attitudes and / or the one who has the attitude and intention to use green goods (Boztepe, 2012). The objective of environmental protection organizations is to make all consumers green consumers. In situations where the consumer faces two similar products, they directly think of buying a product, which respects the conditions of environmental protection.

Green consumers have different motivations for buying green products. Extensive research has revealed some of these motivations; green advertising, increased awareness of environmental sustainability. Today, the need to take care of the environment by consumers has become widespread and consumers have gradually become aware of this need. Citizens are also aware of taking care of the environment. Therefore, the role and responsibility of several companies towards consumer preferences for neutral or environment-friendly products is crucial (Saini, 2013). Certainly, Green Marketing is able to present significant benefits for these consumers. The first important of these benefits touches the financial dimension which is manifested by an increase in income. As a token, the state encourages green businesses that have a major goal in saving the environment and human health. The state encourages these companies through government grants. Finally, the crucial benefit of be aware and have the intention of green marketing is to save the world. By following a wide range of green practices, businesses have an important role in saving the world in a way that protects human lives and the environment (Rajeshkumar, 2012).

### 3. Case study of Carrefour

Carrefour is one of the largest hypermarkets in the world interested in environment protection. Indeed, by the United Nations and in the year 2010 is declared the "International Year of Biodiversity". This declaration was an opportunity for Carrefour to strengthen its approach to ensure the protection of the environment and natural resources throughout the world. Accordingly, Carrefour acted on the preservation of fish resources, the protection of forests or the development of a product range without additives that negatively impact the consumers' health. Carrefour has always tried to promote different products that respect the environment. Indeed, for example, for a responsible forest management, since 2008 Carrefour has given top priority to the marketing of wood certified by the Forest Stewardship Council (FSC). The entire Carrefour's outdoor furniture is thus exclusively made from FSC-certified wood or non-threatened species. In 2010, Carrefour was among the companies that are aware of packaging and therefore, together with Tetra Pak, developed FSC cardboard packaging for some of its own branded products, printed its sales receipts in France on environment-neutral FSC paper and continued its efforts in reducing the weight of its commercials in Europe. In addition to applying its standards strategy, Carrefour was among the first companies to launch customer awareness campaigns on the importance of biodiversity and its conservation issues, which are regularly promoted in its stores. Carrefour participated in several customer awareness days. For example, Carrefour Spain participated in the "World Biodiversity Day" and the "World Water Day". The launch of the "Food without GMOs" label was a significant move that affected different products and covered more than 350 food references in all stores. Carrefour all over the world gives customers an ECO image on all products sold in its stores, leaving the customers the freedom to choose and meeting a high expectation of food transparency.

The Carrefour group has followed a performance-based strategy and has taken into consideration in its vision corporate social responsibility to be an integral part of its corporate strategy. Carrefour performance is the result of a continuous improvement process with the objective of ensuring environmental, social and economic impacts through the presence of points of sale in all countries. Indeed, Carrefour has set its strategy on four main axes, represented by limiting the use of resources by fighting against all forms of waste; encouraging the preservation of resources and biodiversity; supporting the company's partners; and finally supporting social dynamics and encouraging diversity.

#### 3.1. Methodology

Our survey was conducted by means of a questionnaire administered directly to consumers leaving Carrefour hypermarket throughout Tunisia. Our sample included 103 local consumers of all types of products sold by Carrefour. The questionnaire was measured by a Chi-square test using the IBM SPSS Statistics software version 23. The research hypotheses we are trying to test are:

- H1: customers perceive Carrefour as a company that respects the environment
- H2: Carrefour's customers are aware of the company's environment protection strategy
- H3: Carrefour's adoption of an environment protection strategy is the main reason for customer loyalty
- H4: Carrefour's environment protection strategy has a positive impact on customer retention

#### 3.2. Results

To validate hypothesis H1, according to which customers perceive Carrefour as a company that respects the environment, the participants responded to a statement on a 5-point a Likert scale ranging from 1- strongly Disagree, 2-Disagree, 3-No opinion, 4-Agree, to 5-Strongly agree.. 66% of respondents confirmed that they perceive Carrefour as a company that respects the environment and gives great importance to the notion of environment protection. In addition, 21% agreed that Carrefour is an environment-friendly company. In total, almost 87% perceive Carrefour as a company that values the notion of environment protection, yet a minority of 15% said the opposite.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	3.9	3.9	3.9
	2	5	4.9	4.9	8.7
	3	4	3.9	3.9	12.6
	4	22	21.4	21.4	34.0
	5	68	66.0	66.0	100.0
	Total	103	100.0	100.0	

Table 1: Perception of Carrefour as an Environment-Friendly Company

For hypothesis H2, Carrefour's customers are aware of the company's environment protection strategy, the participants responded to a statement on a 5-point Likert scale ranging 1- No knowledge, 2- very low, 3-low, 4- high, to 5- very high. 51.5% of respondents confirm that their knowledge of Carrefour's strategy is very high while 29% consider their awareness to be high. Overall, 80% of them have a high knowledge of Carrefour's strategy and therefore our second hypothesis is retained.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	2.9	2.9	2.9
	2	13	12.6	12.6	15.5
	3	4	3.9	3.9	19.4
	4	30	29.1	29.1	48.5
	5	53	51.5	51.5	100.0
	Total	103	100.0	100.0	

Table 2: Customer Knowledge of Carrefour's Environment Protection Strategy

To validate hypothesis H3, Carrefour's adoption of an environment protection strategy is the main reason for customer loyalty, we run a regression analysis. The obtained R<sup>2</sup> coefficient is 47% which points to the good fit quality of our regression. The data used for the regression is obtained from the participants' responses to a statement on a 5-point Likert scale ranging from 1- Strongly Disagree, 2-Disagree, 3-No opinion, 4-Agree, to 5-Strongly Agree. We notice that the main reason for Carrefour's customer loyalty is first price with a level of significance of 0.2% (less than 5%), then comes second degree quality with a significance of 0.011. However, respect for the environment is not found to be a determining factor for customer loyalty and therefore hypothesis 3 is not confirmed. This finding confirms the quality/price ratio required by a customer to show their loyalty. As a recommendation, Carrefour should consider promoting more awareness campaigns and workshops to improve customer awareness and knowledge of the effort deployed by this group in the field of environment protection.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.885	3	10.295	7.956	.000b
	Residual	128.105	99	1.294		
	Total	158.990	102			

Table 3: ANOVAa

a. Dependent Variable: Loyalty

b. Predictors: (Constant), Quality, Price, Respect Environment

In addition, To validate hypothesis the hypothesis H4, Carrefour's environment protection strategy has a positive impact on customer retention, is not confirmed since t-student is -1,577, less than 2.79 with a significance level of 0.11, which is neatly higher than the 5% threshold.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.514	.570		4.409	.000

	Price	.301	.093	.294	3.239	.002
	Respect environment	-.138	.088	-.144	-1.577	.118
	Quality	.213	.082	.239	2.608	.011
		Number of observations	103	Adjusted R Square	0,47	

Table 4: Regression Coefficients  
a. Dependent Variable: Loyalty

#### 4. Conclusion and Discussion

Nowadays, there is a growing attraction to the notion of green marketing. Marketing researchers started to focus on a multitude of dimensions pertaining to the environmental factors that have a significant effect on consumer behavior and customer retention. In this line of thinking, Hypermarkets today should strongly focus on creating a climate of trust through a sustained environment protection strategy. Our study aimed at understanding green marketing, as a broader extension of environmental policies, by studying Carrefour Group in Tunisia. Our results indicate that Tunisian consumers are very sensitive to the notion of value for money to remain loyal to a hypermarket but most of them are not aware of the utility of integrating environment-friendly policies and strategies adopted by a company in their choice and loyalty criteria. Such an awareness can affect their loyalty and keep them customers as long as possible. Historically, green marketing has been misunderstood and has spurred a lot of confusion. Being different from traditional marketing, consumers believe that green marketing needs more awareness and advertising for a better understanding of its principles.

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