Sustainable Green Marketing and the Realization of Corporate Social Responsibility: A Conceptual Analysis

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Abstract:
This study conceptually analyzed the efficacy of green marketing initiative on the realization of corporate social responsibility (CSR). The study attempted to paint the pictures of green marketing revolution as a sine qua non for the enrichment of social responsibilities of corporate entities. This study adopted social responsibility theory as the theoretical underpinning upon which the study was anchored. The study conceptually evaluated the sustainability of green marketing initiative, while the nexus between green marketing and CSR initiative was further made explicit. The study concluded that the firms’ intervention to lead the green marketing revolution through the instrumentality of CSR is a welcomed development, especially in the market-based economy where consumers choose environmentally preferable products when all other factors are equal. The study recommended the need for corporate organizations to create awareness on the benefits of green marketing initiative among the existing and prospective customers to enhance its successful integration as a marketing promotional tool across all corporate functions and activities.

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1. INTRODUCTION

The deterioration of natural environment has become a contemporary issue of global concern. Greenhouse gases exist in the air as a result of the burning of fossil fuel, while other industrial wastes are deposited in the environment. These pollution pressures have led to the depletion of the ozone layer. However, there is no gainsaying that marketers need to study and understand the inherent threats and opportunities associated with the trends in the natural environment. The term green marketing came first into foray between the late 1980s and early 1990s due to increasing environment concerns (Neeraja-Rani, Aravind & Prasad, 2014). There are many industries that are more conscious about being environmentally safe and eco-friendly with respect to their products and product utilities. The industries are going green in an attempt to make the world more ‘greener’ and safer for future; and by so doing, they are adjudged to be delivering their corporate social responsibilities for the well-being of the environment and the consuming publics as a whole (Bhaskar, 2013). It is against this backdrop that Singh (2008) remarks that the result of the deliberations by corporate organizations to consider the externalities of their products and their eventual negative impact on the planet was the alternative available to the corporate organizations to ‘go green’.

In recent times, a number of companies have been trying to promote a greener image. However, some have not been able to live up to their claims. Hence the consumer skepticism of “green hype” is an understandable reaction in situations when corporate organizations attempt to associate themselves with eco-friendly initiatives without substantially ameliorating their environmental performance or that of their products (Othman, Stafford & Hartman, 2006). According to Polonsky and Rosenberg III (2001), additional complications with greening further arise from the fact that traditional marketing and management tools, such as the marketing audit or political/economic/social/technological (PEST) analysis, fail to fully integrate the environmental implications of actions into the marketing process. Meanwhile, when marketers do attempt to include environmental and eco-friendly issues in their activities, they seldom do such in a sustainable manner.

There is no gainsaying that sustainable green marketing has evolved into complex, integrated strategic, and tactical process (Polosky & Rosenberger III, 2001). As such, it is a holistic approach rather than the simple ‘marketing hype’ practiced by some. Moreover, many corporate organizations adopt traditional business measures such as profitability index, return on investment, market share, etc. to evaluate the success of green marketing. Although a number of firms do embark on green initiatives for more altruistic motives, such as the fulfillment of corporate social responsibility. According to Crane. (2000), only a few companies realize that going green gives them a strategic opportunity. It is an attempt to bridge the identified gap that motivated this study to evaluate the influence of sustainable green marketing as a strategic path to realize corporate social responsibility.

Understanding corporate motivations for green marketing initiative is fundamental, because it enables firms to strategize how this initiative is implemented throughout all corporate activities. At a fundamental level, green marketing initiative becomes part of the ‘cultural fabric’ that binds corporate organizations together, flowing from the spirit of the firm into its strategic emphasis and on into its tactical applications. Therefore, the metamorphosed corporate mindset that occurred is considered as veritable new strategies to accomplish sustainable competitive advantage in an entrepreneurial or ‘enviropreneurial’ manner. According to Polonsky and Rosenberger III (2001), firms taking a strategic enviropreneurial approach perceive change as an opportunity to develop innovative need-satisfying products and technologies that result in a competitive advantage, rather than perceiving change as a constraint requiring modifications to previous actions.
To proffer solutions to the problems identified in the preceding paragraphs, this study attempted to achieve the following objectives.

a. To conceptually entrench the sustainability of green marketing initiatives;

b. To conceptually analyze the nexus between green marketing and CSR initiative; and

c. To conceptually evaluate and conclude on the analysis of the link between the green marketing and CSR initiative in the market-based economy.

2. REVIEW OF RELEVANT LITERATURE

2.1 Conceptual Framework

Green marketing is an initiative that engenders the marketing of products that are presumed to be environmentally safe. According to Bhaskar (2013), green marketing incorporates a broad range of activities including product modification, changes in the processes of production and packaging, as well as modification of promotional practice. It is against this back drop that Neeraja-Rani et al. (2014) refers to green marketing as an initiative that consists of all activities designed to generate and facilitate the exchange that enhances the satisfaction of needs and wants with minimal detrimental impact on natural environment. Green marketing however refers to the process of selling goods and services based on their environmental benefits. Such a good or service must be eco-friendly; and at the same time packaged in an environmentally friendly way (Bhaskar, 2013). On the other hand, green marketing refers to holistic marketing concept wherein the production, marketing, consumption and disposal of goods and services occur in a manner that is less detrimental to the environment and with growing awareness on the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants, etc. (Dutta, 2009). Meanwhile, green marketing does not necessarily eliminate harms in totality, but it reduces harms to the barest minimum.

There is no gainsaying that the concept of green marketing has evolved over a relatively long period of time. According to Peattie (1999), the evolution of green marketing has three phases. First, the ecological phase; this phase of green marketing focused on directing all marketing activities to provide remedies for environmental problems. Second, the environmental phase; this phase of green marketing shifted focus to clean technology that involved designing of innovative new products which mitigate the issues related to environmental pollution and waste management. Third, the sustainable green marketing phase; this phase came into prominence between the late 1990s and early 2000. During this phase, the concern for clean environment increased and resulted in quest for developing good quality product that can meet consumer needs and wants by focusing on quality assurance, efficient product performance, price competitiveness and convenience delivery in an eco-friendly way (Ginsberg & Bloom, 2004; Dutta, 2009).

Furthermore, the corporate organizations also uphold the efficacy of green marketing as a strategic initiative and further make diligent efforts to engender quality products that are quite marketable and profitable. It is against this backdrop that Unruh and Etenson (2010) suggest three main strategies that firms can adopt to align their green initiatives with their respective capabilities. First, accentuate strategy involves the deployment of existing or latent green attributes in firm’s current portfolio. Second, acquire strategy involves the procurement of another firm’s green brand. Third, architect strategy involves the building of the corporate green offerings from the scratch.
The first perspective of corporate social responsibility (CRS) as social obligation was launched by Bower (1953). According to Bowen, CSR is defined as the obligation to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of human society. The perception of CSR as a social obligation has been advocated in later conceptualizations (Akadakpo & Amake, 2019). The other perspective of CSR as stakeholder obligation starts in the mid-1990s, a number of scholars have argued that the notion of social obligation is too broad to facilitate the effective management of CSR. It against this backdrop that Lin and Amin (2016) states that the society is at a level of analysis that is more inclusive, more ambiguous, and further the ladder of abstraction than a corporation itself. Lin and Amin (2016) and other scholars (such as Haryono & Iskandar, 2016; Ananaba & Chukwuka 2016) contend that corporate organizations are not responsible toward the society as a whole, but only responsible toward those who directly affect or are affected by the firms’ activities. These different actors are called stakeholders, and can be regrouped into four main categories in accordance with the classification provided by Henriques and Sadorsky (1999):

1. Organizational (such as employees, customers, shareholders, suppliers),
2. Community (such as local residents, special interest groups),
3. Regulatory (such as municipalities, regulatory systems), and
4. Media stakeholders.

Another perspective of CSR as ethic driven views CSR as either a social or stakeholders’ obligation in the sense that CSR practices are motivated by self-interest; they enable corporate organizations to gain legitimacy among their constituents. However, such approaches fail to account for a positive commitment to society that disregards self-interested and consequences (Onigbinde, 2013).

Furthermore, the view of CSR as an obligation fails to provide normative criteria to evaluate the extent to which actual corporate practices can or cannot be considered as socially responsible (Nwanne, 2016). With philanthropic donations or employee-friendly policies, a firm may just conform to social norms; yet those initiatives may also be a paternalistic expression of corporate power. As a result of these criticisms, some scholars advocate an ethic driven view of CSR that asserts the rightness or wrongness of specific corporate activities independent of any social or stakeholders’ obligation (Chen & Xiang, 2011). For instance, following the justice-based ethics, a company could attempt to systematically favour decisions and procedures that stimulate equality, liberty and fairness of opportunity for its various partners and associates.

There is no gainsaying that the three perspectives introduced thus far essentially characterized the factors that induce corporate commitment to CSR. In contract, a number of authors have depicted CSR in terms of concrete organizational processes that are often analyzed under the label of corporate social responsiveness. For example, Ackerman (1975) as cited in Maignan and Ferell (2004) outlined three main activities that are representatives of corporate social responsiveness. First, monitoring and assessing environmental conditions. Second, attending to stakeholders’ demands. Third, designing plans and policies aimed at enhancing the firm’s positive impacts.

It therefore becomes imperative to reiterate the fact that issues’ management and environment assessment constitute two sets of managerial processes useful to achieve a proactive social responsibility stance. Given the variety of the viewpoints outlined above, it is evident that no single conceptualization of CSR has dominated previous studies (Akadakpo & Amake, 2019). The
comparison and integration of past definitions is especially difficult because scholars have considered the social responsibilities of different entities, including business in general, the individual firm, and the decision maker(s) (Wood, 1991 as cited in Maignan & Ferrell, 2004). Importantly, CSR is concerned with all the activities of corporate establishments in which limited and scarce resources, such as money, man, machines and time are expended on issues which are considered socially-desirable in the eyes of the public or society (Adeneye & Ahmed, 2016).

2.2 Theoretical Framework

The underpinning theory upon which this study is nested is the social responsibility theory. This theory was propounded in 1963 by F.S Siebert, T.S. Peterson and W. Schramm. The main assumptions of social responsibility theory, according to McQuail (1987) as cited by Onigbinde and Ojo (2016), are stated as follows:

1. That corporate organizations should accept and fulfill certain obligations to the society.

2. That, though professional standards of assertiveness, truth, accuracy, objectivity and balance, these obligations can be met.

3. That corporate organization should regulate itself within the framework of law and established institutions to be able to carry out its responsibilities.

4. That whatsoever might lead to crime, violence, civil disorder or offence to minority groups should be avoided by the corporate organization.

5. That corporate organization should reflect its society’s plurality, giving access to various points of view and granting all the right to reply.

6. Based on the principle in (i) above, the society has the right to expect high standards of performance from the corporate organizations. Intervention can only be justified to secure public good.

7. Accountability of corporate marketing professionals should be to the employers, the market and the society.

The major premise of social responsibility theory is based on the fact that business operation carries concomitant obligations, and the corporate organization which enjoys customer patronage is obliged to be responsible to the society for continuous loyalty that it enjoys. The social responsibility theory owes its origin to the Hutchins Commission on Freedom of the Press, set up in the United States of America in 1947 to re-examine the concept of press freedom. This was because the so-called free market ideas had failed to guarantee press freedom and did not yield the expected benefits to the society. Instead, the commercial development of the press and the unforeseen developments in media technology had tended to limit access to the media for individuals and groups. Thus, media power was concentrated in the hands of a few businessmen (advertisers) and media professionals who had the means to set up media empires. In general, social acceptable corporate behaviour was to be anchored on self-regulation, but if the corporate organization would not voluntarily give them, then there must be social structures to ensure that it behaves in compliance with recognized social standards (Onigbinde & Ojo, 2016).
Meanwhile, in order to enhance the translation of the theoretical concept of social responsibility into practical use, social sustainability has been seen as the social pre-condition for sustainable development or the need to sustain specific structures and customs in communities and societies. Based on this perspective, the traditional way of operationalizing social sustainability included the issues associated with basic needs like housing, education and skills, equity, employment, human rights and social justice. However, the emerging themes and domains of social responsibility now include issues related to demographic change; empowerment, participation and access; identity, sense of place and culture; health and safety; social mixing and integration; social capital; well-being, happiness and quality of life.

It is important to note that among the three dimension of sustainability (i.e., environmental, economic, and social), social sustainability has been the least theoretically developed, the least studied and the most overlooked (Ite, 2012). However, the relative lack of early and full understanding of the social dimension of sustainability provided an opportunity for several social and political theorists to contribute to defining and refining the concept; thus creating confusion in the process. For example, it is now common to find the term social capital being used interchangeably with social sustainability. Furthermore, it is also common to see ‘levels’ or ‘types’ or ‘stocks’ of social capital being used as an ‘indicator’ of social sustainability. From a purely research perspective, several approaches to social sustainability have now emerged. According to Ite (2012), these approaches include:

1. Equity and human rights (e.g. poverty studies and unequal development),
2. Capital stock (e.g. social capital, environmental capacity),
3. Institutional theory and governance (e.g. participation and stakeholder analysis),
4. Business and corporate studies (e.g. triple bottom line, corporate social responsibility),
5. Behavioural sciences (e.g. well-being, health and the happiness perspective).

There is no doubt that the themes and approaches highlighted above have provided the conceptual framework and theoretical foundation, which many organizations have used to develop and implement their corporate social responsibility (CSR) projects and programmes. Clearly, the current ideas and thoughts on CSR are derived from the principles of social responsibility as evident in the theme and approaches outlined above. However, the business community have increasingly used the concept of CSR to establish a framework for broader private sector involvement in poverty alleviation. The tenets and ramifications of CSR have been widely articulated by global business leaders, groups and organizations. So, there is strong advocacy that business organizations take the lead in poverty alleviation, especially in developing countries (Tita, 2012).

Similarly, it is now accepted that multinational corporations can have positive impacts in developing countries through their CSR initiatives, which focus on many social sustainability issues, including the promotion of labour, human rights and cooperation with civil society. However, although there is powerful potential for CSR to make positive contributions in addressing the needs of disadvantaged communities; there are also ways in which CSR could whether by mistake or design, damage the same communities politically, socially and economically (Tita, 2012). Therefore, there is the need to explore the full ramifications of social sustainability whilst developing CSR strategies.

Conclusively, it is apparent that the desire for sustainability inherently implies a concern for both the present and the future. In order to fully capture social sustainability issues in CSR strategies, it is imperative that organizations use a range of approaches and methodologies for data collection and
proper analysis prior to developing their CSR strategies. The approaches and methodologies include: Social Impact Assessments (SIA), stakeholder identification and engagement as well as Strategic Environmental Assessment (SEA); incorporating social issues.

3. SUSTAINABILITY OF GREEN MARKETING INITIATIVE

In market-based economies where every individual and corporate consumer has freedom of choice, it has been generally established that individuals and corporate organizations have the right to have their needs met, and their wants satisfied. However, the marketing firms must devise new or alternative means of satisfying their customers’ wants, irrespective of the quantum of resources available at their disposal. Green marketing initiative ultimately seek to utilize the limited available resources to satisfy both individual and corporate consumers’ wants, while achieving the objectives of the marketing firms in return. (Neeraja-Rani et al., 2014). There is no gainsaying that green revolution, going green, and sustainable development have become integral parts of human living in the contemporary world. To sustain this trend, the adoption of green marketing initiative becomes sine qua non for the going concern of all corporate organizations (Bhaskar, 2013; Dutta, 2009).

Meanwhile, the firms adopting green marketing initiative must ensure that their marketing activities are not misleading to the consumers and the publics. Furthermore, they should ensure that they do not breach any of the laws or regulations that has to do with the environmental marketing in their respective countries or state of operations. To further enhance the sustainability of the green marketing initiative, marketers should ensure that their green marketing claims must clearly explain the environmental characteristics; state the environmental benefits; explain how such benefits are achieved; ensure that the identified comparative differences are justified; ensure that all negative factors are cleverly mitigated; and ensure that only the meaningful terms and audio-visual aids are used (Neeraja-Rani et al., 2014; Unruh & Ettenson, 2010).

Moreover, marketer need to make sure that the consumers are aware and concerned about the issues that their products attempt to address. However, marketers that seek to modify their existing products as a result of increased customer concerns are to be extra-careful because consumer opinion and perception are seldom correct and true in every detail (Neeraja-Rani et al., 2014). Therefore, marketers should personalize the benefits of their environmental friendly actions by allowing the customer to take part in the progressive environmental actions. On the other hand, consumers need to be persuaded to believe that the product performs optimally the jobs it is designed to perform so as to engender sustainability via quality product delivery.

4. NEXUS BETWEEN GREEN MARKETING AND CSR INITIATIVE

Initially, the relationship between the concepts of green marketing and corporate social responsibility (CSR) can be considered asymmetrical in the sense that the duo connote different meanings, and are applicable to different corporate circumstances. According to Carroll (1979), different types of social obligations can be distinguished:

i. Economic Obligations: be productive and economically viable

ii. Legal and Ethical Obligations: follow the law and acknowledged values and norms, and

iii. Philanthropic Obligations: proactively give back to the society.
Meanwhile, the ethical marketing activities are social activities of the marketers, and according to Enikanselu (2008), social responsibilities are expended as a result of the following reasons:

a. Organizations should be more responsible because they have great deal of financial and technical strengths to help solve social problems.

b. As members of the society, businesses should do their bits to help others in the society.

c. Social responsibility by corporate establishments will reduce government regulations and intervention.

d. The creation of a conducive business environment is of immense benefits to both the business and society in general.

e. Corporate establishments are partly responsible for a number of problems that the society contends with and therefore should play a principal role in solving them.

f. An organization’s failure to live-up to its social responsibilities may make it loose public confidence and customer loyalty for its product categories.

Jobber (2001) also identifies a number of corporate marketing activities that are considered socially responsible; these include:

1. Disseminating non-deceptive advertising messages to the public;

2. Ensuring that accurate information gets to the consumers, clients, shareholders as well as indirect stakeholders such as tax authorities or other governmental agencies;

3. Providing some protection to the consumers, clients, etc via product facilities;

4. Developing human capital endowment through training and development programmes for staff;

5. Creating and marketing of safe and healthy products/services for the consuming publics;

6. Identifying with the socio-economic needs of the larger society;

7. Producing products/rendering services at prices that customers can afford and at reasonable profit margin.

However, while some researchers have examined CSR from normative standpoint with a concern for the duties of corporate organizations in general toward society as a whole, others have favoured a more managerial approach or an instrumental perspective which signaled the acceptance of CSR as a contemporary managerial initiative. Moreover, stakeholders’ awareness of the impacts of corporate goodwill on specific issues is a prerequisite to organizational identification. Therefore, stakeholder identification depends on the extent to which the firm communicates about its CSR initiatives to different publics. With the instrumentality of green marketing initiative, corporate communications can help spare the image of a good corporate citizen caring about important stakeholder issues.

On the other hand, the initiative of green marketing has become a veritable solution and a viable tool to mitigate environmental issues and promote the products of the company at the same time. It therefore suffices to reiterate that companies have decided to incorporate green marketing in their ambitious CSR initiative. According to Karna, Hansen and Juslin (2003), the incorporate of green marketing into CSR initiative integrates nicely with the strategies of business companies have therefore realized the need to behave in a more environmental friendly manner. There is no gainsaying that going green provides some degrees of competitive advantage to business in the sense that it
enables the customers to rank the products of the company favourably, while the company sells at a premium price above the competitors’ average since the consumers are always willing to pay higher for premium quality green products (Neeraja-Rani et al., 2014).

Furthermore, the increasing consumer concern towards green marketing initiative has certainly made it a highly attractive strategy for the business operations, especially in this contemporary regime of trade liberalization and deregulated market economy. According to Neeraja-Rain et al. (2014), more than 25 percent of Indian urban consumers have preference for environmental friendly products. The green marketing initiative has certainly engendered the re-branding and re-packaging of the existing products to adhere to environmental safety and eco-friendliness standards (Bhaskar, 2013). The reduction of harmful industrial waste has eventually resulted into cost savings. In addition, contemporary marketing firms are now adopting green marketing initiative to mitigate cost-related issues as many of the firms are now developing a symbiotic relationship with one another by allowing the waste generated by one company to be used as cost effective raw material by one another company (Neeraja-Rani et al., 2014). This symbolic relationship has gone a long way to enhance cost reduction and profit maximization.

Importantly, there is no gainsaying that the government regulations relating to green marketing are designed to protect the consuming publics by reducing the production of harmful products, and ensuring that the consumers possess the capacity to evaluate the implication of the products they consume on their environmental well-being. It becomes imperative to state that government further has a concomitant obligation to ‘protect’ the consuming publics and, at the same time, secure the environment for the entire citizenry. This protection, of course, has significant green marketing implications (Karna et al., 2003; Unruh & Ettenson, 2010).

5. EVALUATION AND CONCLUSION

The rapid growth of population and increasing economic development is currently putting a lot of strains on the environment, infrastructure and natural resources in the contemporary human society. It therefore suffices to emphasize the imperative of environmental protection. There is no gainsaying that green marketing make efficacious change in the business by saving the world from environmental pollution. According to Bhaskar (2013), everyone now believes that a green life is a better and healthier life for present and future generations. Consumers are motivated to buy from companies that are eco-friendly in their production processes. Consumers’ pattern of spending shows that most buyers have a desire for brands that adopt green initiative. Consumers do not only want to buy the products of the companies that ‘go green’, but they are willing to pay more for those brands. The research findings revealed that about 70 percent of some two thousand consumers in the United States, United Kingdom, Australia, Germany, Netherlands and Japan are willing to pay a premium for energy alternatives, such as wind and solar power (Ginsberg & Bloom, 2004; Bhaskar, 2013). However, green marketing assumes even more significance and relevance in the developing economies (Neeraja-Rani et al., 2014).

Initially, consumers are not so concerned about the environment; however, as the economy becomes more sophisticated, they demand clear information on how their choice of one product vis-à-vis another product will be of benefit to their environment. As the demand for green products undoubtedly exists, green marketing will certainly provide an opportunity to the corporate organizations to increase their respective market-shares via the introduction of eco-friendly products (Bhaskar, 2013). It becomes necessary to remark that stricter regulations across the globe, increasing consumer preference

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for eco-friendly products, and the generic cost advantage in reducing toxic waste constitute the fundamental factors that enhance industries to clean up (Singh, 2008). Ultimately, firms’ intervention to lead the green marketing revolution through the instrumentality of CSR is a welcomed development. However, green marketing initiative requires that consumers think green, think clean, think eco-friendly, and are willing to pay premium for higher-priced green products. In a nutshell, consumers in market-based economy choose environmentally preferable products when all other factors are equal.

6. RECOMMENDATIONS

From the evaluation done and conclusion drawn on the subject matter sustainable green marketing and the realization of corporate social responsibility, the followings are the researchers’ recommendations.

1. Corporate organizations need to create awareness on the benefits of green marketing initiative among the existing and prospective customers to enhance successful implementation.

2. There is need to integrate green marketing as a promotional tool across all corporate functions and activities if it is to achieve long-term corporate benefits. Failure to develop an integrated approach might aggravate the possibility of ‘mismatch’ between a firm’s activities and consumers’ expectations.

3. Corporate organizations need to let the consuming publics and the target market understand the imperative of environmental protection and sustainability.

4. Corporate organizations further need to engender consumer education for total adoption of green marketing initiative. Consumer education results in their empowerment; as empowered consumers choose eco-friendly products when all other factors are equal.

5. Corporate organizations must be genuine and transparent by ensuring that their business policies are in consonance with whatever green initiatives they are claiming in an attempt for their businesses to engender veritable environmental credentials that will enable the campaign on green marketing succeed.

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