

## **MANAGEMENT STRATEGY FOR SUSTAINABILITY THROUGH THE GREEN MARKETING TOOL**

**Azenath Alves da Silva<sup>1</sup>, Flávio de São Pedro Filho<sup>2\*</sup>, Maria José Aguiar Madeira<sup>3</sup>, João Artur Avelino Leão<sup>4</sup> and Ti Yao Sui-Qui<sup>5</sup>**

<sup>1</sup>Graduated in Administration from the Federal University of Rondônia, Brazil. Studying for a Master's degree in Public Management at the Education Faculty of Lapa, Brazil. E-mail: nathy\_ron@hotmail.com

<sup>2</sup>PhD in Administration from the University of São Paulo, Brazil. PhD in Business Management from the Universidad Autónoma de Asunción, Paraguay. Post-doctoral candidate in Management at the University of Beira Interior, Portugal. E-mail: Pedro.filho@ubi.pt

<sup>3</sup>PhD in Management from the University of Beira Interior, where she is the Advisor on the Post-Doctoral Program in Management, Portugal. E-mail: maria.jose.madeira@ubi.pt

<sup>4</sup>Master in Administration at the Federal University of Rondônia (UNIR), Brazil. E-mail: arturlustosa@gmail.com

<sup>5</sup>PhD student in Urban Studies at the Université du Québec à Montréal (UQAM), Canada. E-mail: tiyaosui@gmail.com

\*Corresponding author

### **Abstract**

Management strategies have been guided by the organization of entities in response to environmental variables and share the same conditions as the business process in which they exist. Special attention should be given to green marketing as a strategic alternative in achieving organizational sustainability. This research was based on the Contingency Theory, and finds that organizational variables are interrelated in a complex way with external environmental conditions, maintain interchange with them. The research entailed meeting three specific objectives: (1) identifying the environmental variables that influence the decision in Green Marketing; (2) evaluating the perception by social actors of environmental variables; and (3) analyzing the trend in performance by means of the Green Marketing tool. The methodology used was to simulate a qualitative, descriptive and exploratory case study, applying several procedures, with the support of a focus group, so as to produce constructs that would support objective deductions. The variables, competitors, economic, legal and regulatory, socio-environmental and technological variables involved in the marketing mix were identified. The perception of the social actors about the variables was evaluated, reinforcing their importance in the strategic decision making process. Analyzing the applicability of green marketing is a management strategy that confers competitive advantage to achieve organizational sustainability. This study helps those interested in business strategy, since its elements make it possible to construct a tool that can be used by modern organizations with an environmental commitment. It is hoped that this will be a collaborative product to offer to managers concerned with organizational sustainability.

**Keywords:** Management. Green Marketing. Social Responsibility. Sustainability.

## **1. INTRODUCTION**

Changes in the external environment of organizations prompt decision-making in all the available areas, including the process of producing goods and services. Although consumers have a variety of options in the market, they are interested in products that meet certain standards of responsible production and choose those that comply with the formal requirements. Faced with this innovative and dynamic scenario, organizations use strategies to leverage their competitiveness and acquire or maintain the attribute of sustainability and social responsibility. One of the strategies in diversifying marketable products or services is to appeal to a tool in the category of Green Marketing. In this situation, is the use of green marketing strategy an option for achieving organizational sustainability?

In a dynamic scenario, marketing influences the perception and behavior of consumers seeking to meet their needs, through the options available in a market that offers diversity and significant differences among the attractions that lead consumers to a product. Organizations facing the demands of consumers and the relevant legislation expand their focus by inducing consumption through amplified environmental variations.

This paper seeks to recommend an overall goal and three specific objectives, as outlined below. Its general objective is (1) to analyze the applicability of Green Marketing as a strategy in dynamic organizations; (2) to evaluate the perception of social actors about environmental variables; and (3) to analyze the trend in organizational performance through the application of the Green Marketing tool.

The expectation in this task is to suggest how organizations can achieve a market position of competitive advantage, given the different resources available, bearing in mind the goals set by their managers, including an increase of their productive capacity, respect for new requirements based on modern methods or innovative processes, and respect for sustainability.

## **2. THEORETICAL BACKGROUND**

This document owes much to Contingency Theory as treated in Rego (1992) (quoted in Neto, 2005); he reports that organizational variables are interrelated in a complex way and maintain an interchange with the environmental conditions; he advances affirmative arguments about the link between the internal and external changes made by organizations, in response to factors which justify the actions and decisions taken to achieve their objectives. The entire management process results from the influence of these environmental variables, which is the same as what influences rationality. The study brings together the innovation, social responsibility and organizational sustainability involved in marketing, reinforcing the decisions made about green marketing as a competitive strategy in this setting.

Different approaches treat organizations today as responsive entities they must respond with agility and adaptability to the demands of change or innovation whenever the organization needs to prepare for possible opportunities or threats. In this regard, Bateman and Snell (2006) state that organizations try to operate and manage flexibly and effectively, processing large amounts of information to create an appropriate culture and adopt new forms of organization as necessary.

Wood, Jr. (2004) notes that organizations of the future will be more customer-focused, reaffirming the role of quality in products or services, and will take a more accountable stance on environmental causes; internally, they will use a decrease in the number of hierarchical levels to achieve effectiveness and efficiency in meeting their objectives. For the survival of each organization, regardless of size, the appropriateness of its proportionality is paramount when encountering external factors. The fact is that the environment involves different hazards, and the focus on customers is always one of the most important. Once organizations learn the needs of customers, they act to ensure that their products will continuously earn more; flexibility, thanks to the choice of different technologies also influences the productive structure of an organization.

In most organizations, departments, adapting to the most relevant facts, suffer from external environmental variables; organizations aim to outpace competition, and are forced to create differentials for themselves, adopting new organizational models to meet the demands of the market. What happens in the marketing department, given that it is re-evaluated and restructured at each new event, taking advantage of opportunities, new markets, and a probable latent demand? This particularly applies to environmental issues that embrace new perspectives favoring the emergence of modern concepts of marketing, where environmental or ecological marketing is framed.

In times when renewable resources are increasingly scarce, marketing aimed at environmental adequacy, which takes responsibility for its production line, makes consumers conscious and even envious of this new expanding market. Ottman (1994) states "In this new era of marketing, products are evaluated not only on

the basis of performance or price, but on the social responsibility of manufacturers".

Moreira (2007) indicates that organizations which seek competitive advantage, to ensure a leadership position or become companies of the future, need to develop a high level of innovation through new products and new processes. Innovating is essential for maintaining a company and expanding markets. Innovation takes many forms: in products and services, in processes, in organizational structure, in people, and in marketing, among others.

According to Barbieri (2007), the environmental impacts caused by the activity of individuals or entities reflect the health, and quality of life of the population. Organizations committed to the current state of the environment certainly gain competitive advantage over others: these organizations are committed to sustainable development and use innovative techniques. They develop intellectual and tangible resources to reap the desired results; respect the capacity of natural resources; act in harmony with social, environmental and economic considerations; and promote social inclusion and the balance between means. Sustainability is a challenge in the present scenario of modern organizations. These must at the same time try, among such market forces as competitors, the economy, politics, the law and regulations, technology and sociocultural pressures, to improve the quality of their business. This presents an opportunity for managers to use instruments aimed at environmental conservation and preservation, which would also influence the marketing of their products. This tendency to respect ecology is the guiding principle of socio-environmentally correct practices, because it affects populations globally with the assumptions of social responsibility, that is, of not acting to contravene ethical and political obligations. Social responsibility, it is implied, can change the organizational culture of a company, influencing the forms of business and defining the relations between itself, its suppliers and its consumers.

Pride (2001) makes a significant point in relation to marketing that is more than the simple advertising and selling of a product. For him, marketing delineates and harmonizes the whole process following the elaboration of a product to satisfy consumers' needs. Thus, it focuses on the distribution channels making it easier for the consumer to gain access to product information, providing positive feedback and determining a price which considers economic conditions for the consumer. The structure of marketing is by definition directed towards the customers; it is for them that every effort is made. However, to have customers, a company must have a competitive, favorable and feasible situation, where the forces of the environment react in favor of a particular product or service.

The marketing structure that is involved in the organization-client relationship is strengthened when marketing components combine in the characterization of a good or service, thus strengthening the Marketing Mix better known as the 4p's, namely, product, place, promotion and price. This compound depends on some variations in the environment uniting to add value to a product and encouraging the organization to take preventive, speculative and strategic actions. This is what happens when an environment variable, as observed, gives rise to an opportunity for applying strategic delimitation in the marketing mix. Green marketing has emerged to add competitive advantage to companies facing competition and provide benefits as a strategic tool that lets companies grow and develop. It even drives many organizations to reflect on the importance of sustainability and raise the level of innovation in their products.

Some organizations have taken part in this reflection and show the green label in order to draw the attention of consumers; even if there are still organizations nowadays that merely claim ecological credentials in order to advertise, detailing the cause. A change in their organizational culture is required in order to validate such environmental qualifications.

A strategic marketing presumption is that the environment is continually threatened with destruction and society's concern about the depletion of natural resources has interfered in the consumption patterns of all its agents. The basis of environmental business is a matter of awareness, and it is because of the lack of awareness among consumers and organizations equally that environmental marketing has now become a strategic competitive advantage. In this situation, a better strategy would consist of establishing guidelines for decision-making that kept the environment in mind. Mission and vision are of the utmost importance to organizations; even the simple questions of what they are and where they want to go make some difference. Strategic planning, which influences organizations and the projection of their scenarios, exposes which external variables characterize the prevention of future events; knowing one's weaknesses avoids risk; knowing one's strengths leads to opportunities; studying the competition for its typical follow-up forestalls the threat of new entrants.

### **3. METHODOLOGY**

The present research is descriptive and exploratory, defining and describing marketing as strategic for business; discovering and analyzing the problems caused by some of its environmental variables and showing how they contribute, according to new market requirements, to make it dynamic. A quantitative study was carried out to gather information about the importance of marketing in the decision-making process of organizations. For this purpose, a survey used questionnaires applied on a hard platform. It was followed by a qualitative use of focus group data, gathered at an interactive session which resulted in a list of the ideas and empirical knowledge of the participants.

In Cooper's (2004) approach, the construction of knowledge is based on research, which is a systematized quest for information valid in problem solving. The nature of this information is determined by its causal relationship. From this standpoint, research is a developmental process concerning a subject or approach, which can use tabulated information to build constructs. Here is where we try first to satisfy the problematic that originated the research, and then to reach a result that can be reported. This is the rationale for constructing the basic scientific methodology that the research will follow. The present research is descriptive and exploratory, defining, and describing marketing as strategic for businesses; it discovering and analyzes problems caused by some of the variables in its environment and shows how they contribute to make this dynamic, according to new market requirements. A quantitative survey gathered information about the importance of marketing to the decision making process in some organizations. The questionnaires appeared on a hard platform. Next, in a qualitative enquiry a focus group contributed a list of the ideas and empirical knowledge from its participants.

The descriptive method involves research that is intended to be used to develop the study, with the main objective of more accurately defining problematization, which provides intuitive solutions. The exploratory method, however, involves research on the relevant environmental factors and investigates the adequacy of Green Marketing for companies; analyzing how they are using strategic tool and whether they are making the correct use of it. Its true purpose is to register whether consumers value ecological products correctly.

This research will apply the qualitative method which, according to Marconi and Lakatos (2009), refers to research that draws on empirical experience. Here the main purpose is to trace or analyze the characteristics of facts or phenomena. Such a method can be used to evaluate programs or variables in isolation and the key points of subject; keeping quantitative artifacts for the systematic collection by a variety of techniques of data on populations, samples and programs.

The procedures adopted for the present study are, first, bibliographical research, followed by the study of a population with similar characteristics, where a great number of variables and sampling techniques had to be represented. Next, a focus group technique was used to obtain a result from a list of ideas contributed by social actors in a behavioral performance, which yielded a response effect assessed by a moderator (Cooper, 2004). This offered some support to valid projections.

### **4. RESULT OF THE STUDY OF THE PROPOSED MANAGEMENT STRATEGY**

This section concerns the results of the study, analyzing its presentation and critiquing the data obtained from the survey respondents with the support of the theories relating to this work. They become contributions with empirical ideas under the perception of the stakeholders, qualifying the strategic knowledge required for managers interested in this approach. We sought to scrutinize the elements by presenting this report in tabular format, shown below. It is important to clarify that some questions of the questionnaires deliberately applied conditions, variables, factors and the marketing mix, so that the respondents could choose answers that would reinforce theories and underlie new arguments.

#### **4.1. Identification of the environmental variables that influence the decision in Green Marketing**

This sub-topic is concerned only to identify the variables that develop organizational strategies. In the data presented in Table 1, social and environmental issues are referred to as conditioning factors of competitiveness, since the intention in this questioning was precisely to capture the attention of the corresponding focus group for these variables and reinforce the central idea of the research. As Kotler (2000) states, consumers' buying behavior is influenced by cultural, social, personal and psychological factors; Barbieri (2007) also observes that the environmental impacts caused by human activity are reflected in all areas of society, including its quality of life.

Therefore, it is worth noting that these issues affect organizations to a considerable degree, because they

motivate consumption and consequent organizational competitiveness. Thus, the result of the survey concedes special attention to managers because, besides the competitive advantage and the differential that this change achieves, the company still manages to adapt to the standards of sustainability held by the market and the society.

Table 1. Focus Group Query Data

<b>Do you believe that social and environmental issues are instruments that constrain organizational competitiveness?</b>	<b>Answers</b>	<b>%</b>	<b>Total Consulted</b>
<b>Yes</b>	18	90	20
<b>No</b>	2	10	

Source: Focus Group

Environmental forces have a considerable impact on the process of developing strategy and on the shift from operational decisions to strategic decisions, related to the organization's goals and objectives. The research results intensify the perception of the forces of the environment as influences on the development process, especially when it comes to organizational innovation.

The data presented in Table 2 are arranged according to their degree of influence on the factors that motivate the consumer when purchasing a product or service. In the tabulation, formula 1> 2 was used, and so on. At the outset, it can be observed that the variability of products or services in the table is broadly distinguished from that of other variables and that soon after variable innovation in products and services is achieved, the other variables overlap.

Table 2. Group consultation data

<b>What motivates you the most when it comes to purchasing a product or service?</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total Consulted</b>
<b>Price</b>	4	4	8	4	0	20
<b>The promotion involved in product disclosure price</b>	3	6	4	4	3	20
<b>The quality of products or services</b>	11	1	1	2	5	20
<b>Innovation in products or services</b>	5	7	5	1	2	20
<b>Corporate social responsibility for products offered</b>	3	5	3	3	6	20

Source: Focus Group

It is inferred from the results of the table that the quality of products is still one of the factors most heeded by the consumer when making a purchase; it is correct to say that legal and regulatory forces are involved in quality because the law obliges manufacturers and service products to use standards, procedures and adequate structures in the processes that bring goods and services to the consumer. In the case of innovation in services and products, the forces involved are visualized in two variables, the competitive and the technological. Companies facing the dynamism of current technology need to be constantly changing to maintain a balance against competitors, and be in a position to win/maintain their market share.

#### **4.2. Evaluation of the perception of social actors on environmental variables**

The evaluation of the perception of the social actors on the environmental variables reinforces the theoretical content. In the tabulation, formula 1> 2 was used, and so on. In Contingency Theory, external factors determine the decisions within organizations; they modify their productive structure, and their strategies and

technologies adopt innovations in as much as they are influenced by environmental forces. The marketing department needs to take advantage of these changes, and the manager needs to take note as the market opens new opportunities. These driving forces are the basis for the formulation of strategies in this sector because it is through them that the products and services are visualized by the consumer, and thus, a natural relationship is perceived between the environmental variables and the marketing environment.

Table 3. Focus Group consultation data

List items 1 to 6 below according to environmental forces, where 1 is more influential than 6. How do you evaluate the influence of the environmental forces involved in the organizational marketing process?	1	2	3	4	5	6	Total Consulted
<b>Competitive forces</b>	12	3	0	1	0	4	20
<b>Economic forces</b>	5	6	5	0	3	1	20
<b>Politic forces</b>	2	4	4	4	3	3	20
<b>Legal and regulatory forces</b>	3	7	3	3	3	1	20
<b>Technological forces</b>	7	2	2	3	5	1	20
<b>Sociocultural forces</b>	4	0	5	5	1	5	20

Source: Focus Group

Table 4 shows whether Green Marketing is a business opportunity for organizations; 80% of respondents believe that consumer preference for green products is increasing. Coddington (1993) (quoted by Dias, 2007) commends environmental marketing as a change of perspective on ways of doing business because it requires responsibility and global environmental commitment from the organization, and supposedly influences strategic decisions, since it not only advertises the name of the product but makes the company proactive and shows respect for the consumer.

This author's comment about the business opportunity is correlated with the new directions of society; as its expectation for the future; mankind is concerned to preserve today so as to enjoy tomorrow. This implies that the awareness of organizations transforms the perception of consumers and vice versa; this exchange provides new ways of aligning organizational resources with the needs of the community, and earning positive feedback. In prioritizing sustainable development, organizations will achieve large-scale business success; this measure in the short term provides positive results in the market, and in the long term sets the organization firmly between the parameters of social responsibility and sustainability.

Table 4. Focus Group consultation data

According to your perception, is Green Marketing a business opportunity for organizations?	Answers	%	Total Consulted
<b>Yes. Today green products are gaining consumer preference</b>	16	80	20
<b>No. Green products are far from reaching the great mass</b>	4	20	

Source: Focus Group

### 4.3. Analysis of the trend in organizational performance through the application of the Green Marketing tool

This sub-topic discusses the decline of a trend in organizational performance through the application of Green Marketing. In Table 5, the focus group participants considered organizations that use Green Marketing in their products. Most of them believed that Green Marketing is being used by organizations that are driven by new market trends, and this result tends to intensify as the organizations' awareness and the availability of information become more steady and concise.

In fact, for Bateman and Snell (2006), the dynamism of the environment characterizes the different changes in the organization. Some would rather adapt to it than take more radical measures; making adjustments in sectors or departments focusing on the environment requires organizations to assess their needs comprehensively, taking a flexible attitude to whatever exerts the strongest influence on its decisions. In this situation organizations with an organic structure tend to be more flexible. In addition to adapting or reacting to the environment, organizations can exert influence by developing proactive response mechanisms to change the environment through their individual or collective actions. Other organizations prefer to create a new scenario, through the factors directly influencing them; this is considered a strategy that foresees threats and creates a competitive differential, generating opportunities for innovation.

Table 5. Focus Group consultation data

<b>9 - List the following alternatives from 1 to 3, of which 1 is more important than 3. What do you think of the organizations that use Green Marketing in their products?</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total Consulted</b>
<b>They are following the new market-driven trends</b>	12	7	1	20
<b>They are using green stamps only to gain competitive advantage</b>	7	8	5	20
<b>They are actually concerned with the social issues involved in the decision to implement Green Marketing</b>	2	9	9	20

Source: Focus Group

Organizational managers who make decisions based on environmental variables can also use segmentation or the choice of a target market to achieve competitive advantage; Kotler (2000) echoes this view in stating that the marketing team should segment the market, select the appropriate target market and develop positioning according to the value of the offer. For this author, the formula involving segmentation, targeting, and the positioning of the value of the offer form the essence of strategic marketing. The different changes in the scenario from organizational or human activity directly impact on the environment and society's way of life, regardless of personality. These changes result from the constant changes in technology and the exaggerated state of consumerism. Innovation is necessary for organizations to absorb resources responsibly and contribute to sustainable consumption and development. Through the various types of innovation, organizations can develop their plans and objectives, and the marketing department also has the role of innovating and using strategies to improve the market share.

## 5. CONCLUSION AND RECOMMENDATIONS

Organizations can strategically apply green marketing by developing effective new models focusing on a view of business as environmentally-based and, in particular, without labeling their singularities. In this way they target the whole community to achieve advantage and excellence in their business. The variations of the environment give organizations a disproportionate dynamism. Through this dynamism the need for strategic formulation outbids all others; hence, there is no rupture between the organization and the market, and the environment, as a strategic factor, conveys a differential of competitiveness as a consequence of this scenario.

All environmental variables or forces – competitors, the economy, politics, the law and regulations, technology and sociocultural pressure, significantly interfere in the strategic decisions of a company. The

environmental and social issues within the competitive context are extremely important for differentials and so long as organizations realize that they can innovate, qualify and expand. Businesses should launch their efforts and objectives around these variables, trying to fit the prospects of the organization so as to achieve sustainability.

Environmental variables, according to the social actors surveyed here are like a virtuous circle for the organization, because they allow the development of internal reactions from the external environment, and all recognize that, without this impulse, the organizations would be like mechanized and bureaucratic structures and would not fit in with the dynamics of the current globalized scenario; equally, they would not be allowed to be proactive and neither would the development and expansion of their business. The explanation as evaluated can be conclusive for organizations that want competitive advantage in their business and seek efficiency in their operations, developing social activities, or operating through the Green Marketing tool to outdo their competitors and earn consumer satisfaction.

The study offers suggestions based on interpreting the client's opinion as the basic premise of business strategy; thus, it is necessary to consult the consumers of goods and services to reinforce guarantees of success in the organization's business. The indicators collected from the consumer query were chosen to generate measures for adapting whatever is positive for the organization, because the study indicates that customers are better at perceiving the context of their needs and pointing out what satisfies them. The customers' perspective in assessing the form of strategic innovation should be increasingly scrutinized in the interests of continuous improvement. It is also possible to develop the environment variable in several businesses, since the segmentation involved in this variable is immeasurable. Finally, although this paper analyzes performance and demonstrates productivity, profitability and flexibility in the marketing environment, many organizations that use green marketing still needs to involve the consumers, who are the main focus of any market, to verify their social responsibility and guarantee their sustainability.

## **6. ACKNOWLEDGEMENT**

Our thanks are due to the University of Beira Interior, Faculty of Social Sciences and Humanities, Department of Management and Economics, Post-Doctoral Program in Management and Economics, focusing on Management Strategy for Innovation and Sustainability, Covilhã, Portugal.

Website: [http://www.ubi.pt/Entidade/Ciencias\\_Sociais\\_e\\_Humanas](http://www.ubi.pt/Entidade/Ciencias_Sociais_e_Humanas).

## **REFERENCE LIST**

- Ben-Daya, M., Darwis, M. and Ertogral, K. (2008). The joint economic lot sizing problem: Review and extensions. *European Journal of Operational Research*, vol. 185.
- Goyal, S. K. (1977). An integrated inventory model for a single supplier-single customer problem. *International Journal of Production Research*, vol.15.
- Barbieri, J. C. (2007). *Organizações inovadoras sustentáveis*. São Paulo: Atlas.
- Bateman, Thomas S & SNELL, Scott A. (2006). *Administração: novo cenário competitivo*. São Paulo: Atlas.
- Cooper, Donald R & Schindler. Pamela S. (2004). *Métodos de Pesquisa em Administração*. Porto Alegre: Bookman.
- Dias, Reinaldo. (2007). *Marketing Ambiental: ética, responsabilidade social e competitividade nos negócios*. São Paulo: Atlas.
- Kotler, Philip. (2000). *Administração de Marketing*. São Paulo: Prentice Hall.
- Marconi, Marina de Andrade & LAKATOS, Eva Maria. (2009). *Técnicas de pesquisa: planejamento e execução de pesquisa, elaboração, análise e interpretação de dados*. São Paulo: Atlas.
- Moreira, Daniel Augusto & QUEIROZ, Ana Carolina S. (2007). *Inovação Organizacional e Tecnológica*. São Paulo: Thomson Learning.
- Ottman, Jacquelyn A. (1994). *Marketing Verde: desafios e oportunidades para a nova era do marketing*. São Paulo: Makron Books.



- Neto, Alexandre Shigunov. et al. (2005). Fundamentos da Ciência Administrativa. Rio de Janeiro: Editora Ciência Moderna Ltda.
- Pride. William M. & FERREL, O. C. (2001). Marketing: conceitos e estratégias. Rio de Janeiro: LTC.
- Wood jr. Thomaz. (2004). Mudança Organizacional. São Paulo: Atlas.