

MANAGING GREENNESS IN FIRM MARKETING
TO ENHANCE BUSINESS PERFORMANCE

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SUPERVISOR CONFIRMATION

I hereby declare that I have read
this thesis and in my opinion this project
is sufficient in terms of scope and quality for the award
Bachelor Degree of Technology Management
(High Technology Marketing)

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Report submitted in fulfillment of the requirements for the
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DECLARATION

“I admit that this report is the result of my own but summarizes and quotes that for everything I have explained the source.”

Signature :

Name :

Date :

DEDICATION

This thesis is dedicated to my father, Chong Chee Kwong and my mother Chong Oi Kwan, who taught me the value of education and who made sacrifices for us, their children so that I have the opportunity that they did not have.

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ABSTRACT

Nowadays more firm are moving to the green marketing to get the competitive advantages when the consumers start to concern about the environment aspects. Green marketing has been implemented to generate or facilitate any exchanges intended to satisfy the consumer needs and wants by reduce negative impact on the natural environment. However, there were also some challenges of implementing green marketing that need to be considered to ensure that firm really gains the benefits from it. Thus, this research aims to increase the understanding of green marketing and business performance. There were three main objectives in this research. Firstly, to investigate the elements of green marketing that can bring advantages to enhance business performance. Secondly, to determines the challenges that face by firms" in implementing the green marketing and finally, to determines the relationship between green marketing strategy and business performance. In this study, the food and beverages industry had been selected as the sample. 100 returned questionnaires analyzed using SPSS software package. The results show that, not every company had applied green marketing with their own reasons. The main reasons were on the high cost and less customer awareness. On the other hand, the companies that had implemented green marketing respond that, by understanding the benefits, challenges and the strategy of green marketing can enhance the business performance. Therefore, the whole research results can assist the companies that want to implement the green marketing as can brought great enhancement on the business performance.

ABSTRAK

Pada masa kini, banyak syarikat bergerak ke arah pemasaran hijau untuk mendapatkan kelebihan bersaing apabila pelanggan mula mengambil kira aspek alam sekitar. Pemasaran hijau telah dilaksanakan untuk menjana atau memudahkan apa-apa pertukaran bertujuan untuk memenuhi keperluan dan kemahuan pengguna dengan mengurangkan kesan negatif terhadap alam semula jadi. Walau bagaimanapun, terdapat juga beberapa cabaran semasa melaksanakan pemasaran hijau yang perlu dipertimbangkan untuk memastikan bahawa syarikat benar-benar mendapat manfaat daripadanya. Oleh itu, kajian ini bertujuan untuk meningkatkan pemahaman tentang pemasaran hijau dan prestasi perniagaan. Terdapat tiga objektif utama dalam kajian ini. Pertama, untuk mengkaji unsur-unsur pemasaran hijau yang boleh membawa kebaikan supaya dapat meningkatkan prestasi perniagaan. Kedua, untuk menentukan cabaran yang akan dihadapi oleh firma dalam melaksanakan pemasaran hijau dan yang terakhir menentukan hubungan antara strategi pemasaran hijau dan prestasi perniagaan. Dalam kajian ini, industri makanan dan minuman telah dipilih sebagai sampel. 100 soal selidik yang dikembalikan telah analisis dengan menggunakan pakej perisian SPSS. Keputusan kajian ini menunjukkan bahawa bukan setiap syarikat melaksanakan pemasaran hijau dan mereka mempunyai sebab-sebab yang tersendiri. Sebab utama adalah pada kos yang tinggi dan kurang kesedaran pelanggan. Sebaliknya, berdasarkan kepada syarikat yang melaksanakan pemasaran hijau, menyatakan bahawa dengan memahami manfaat, cabaran dan strategi pemasaran hijau boleh meningkatkan prestasi perniagaan. Oleh itu, hasil penyelidikan keseluruhan boleh membantu syarikat-syarikat yang ingin melaksanakan pemasaran hijau untuk mendapatkan peningkatan besar dalam prestasi perniagaan.

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Chapter 1

1.0 Introduction

1.1 Background of Study

As the technology grows, most of the firms also have their own competitive advantages in this market. Greenness slowly becomes one of the strategies to compete in this market as more concern to environment. Thus, nowadays more firm are moving to the green marketing to get the competitive advantages. Green marketing has been implemented to generate or facilitate any exchanges intended to satisfy the human needs and wants by reduce negative impact on the natural environment (Polonsky & Jay, 1994). It also relates to many activities in a firm like product design, manufacturing, services, packaging, recycling and others areas.

Based on the research conduct by Greendesign staff among the company, the most to go green is product differentiation to create a competitive advantage, second is to become a global leader and the third is cost savings (Staff, 2009). Therefore, a firm can apply the greenness in all of the marketing activities to enhance business performance by gain more competitive advantages. Besides that, growing concerns about natural environment have promoted green products because have many incident happen cause by our human hand. Therefore, consumers are more interested with activities that can save the environment. Most of consumers preferred to have some contribution by support green or recycle products.

According Durif and Julien (2009), a green product can be defined as the product which the design, attributes, production or strategy that uses recycling resources and which advantages on the environment, or minimum toxic damage on the environment in the overall of the life-cycle. On the earth the trend is moving towards green activities, to maintain the business competitive in the market, the one of the key product is green product.

Therefore, this research aims to increase the understanding of green marketing and discuss how green marketing can bring advantages to the company in terms of business performance. Besides that, this research also needs to find out the challenges facing by the firm that implement the green marketing.

1.2 Research Questions

In the recent years, our earth have occur a lot of disaster that cause by pollution done by human action. This has built up the awareness toward the company to concern in the environment aspect in their business. Most of firm have switch to green marketing, it is business practice that considers consumer concerns about preservation and protection of the natural environment. This business practice to highlight the characteristics of the firm's product and services highly protects the environment (Green Marketing, 2007). Those firms already competitive in terms of price, quality and performance by apply green marketing strategy may improve brand image and secure market share in the market, in others word is enhance business performance. Besides that, those firms need to implement these strategies facing many different kinds of challenges. Therefore, all the investor and firm need to consider green marketing is a long term investment and suit for them to invest.

Based on the above statement, the researcher has discovered the idea of question. The questions is directly relate to the topics. The researcher has found out 3 questions based on the title as show below:

1. What are the benefits from the implementation of green marketing?
2. What are the challenges that the firm face during the implementation of green marketing?
3. What is the relationship between green marketing strategy, benefits and challenges of green marketing implementation and business performance?

1.3 Research Objectives

Based on this research, there are few objectives that need to achieve to solve the questions. This all objectives have directly related to the research questions that mention above. Those objectives have shown as below.

1. To determine the benefits from the implementation of green marketing.
2. To determine the challenges that the firm face during the implementation of green marketing.
3. To identify the relationship between green marketing strategy benefits and challenges of green marketing implementation and business performance.

1.4 Scope, Limitation and Key Assumptions of the Study

The below section discuss about the whole research scope, limitation and key assumptions.

1.4.1 Scope

This whole research is main focus food and beverages firm that has applies the green marketing in their business in Malaysia. This all firm is including all the services or manufacturing industry.

1.4.2 Limitation

This research still needs empirical evidence to support in future studies. Also, most of the firms are not accessed. The data that researcher collect have some irrelevant and errors. Therefore the data that collected will occur insufficient.

1.4.3 Key Assumption

The key assumption of this report is the green marketing. Green marketing can be state as the activities that generate any exchanges intended to satisfy the human needs and wants by reduce the negative impact towards the environment (Polonsky & Jay, 1994).

1.5 Importance of the Study

The contribution of this research is increased understanding the main green marketing strategies by the firm implement the green marketing. Also, it can let us know which benefits can be gain from apply green marketing in the firms to improve business performance. Besides that, this research has state out the challenges facing by firm implementing green marketing.