



## **Study of factors affecting success of green marketing in Iran**

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### **Abstract**

The aim of the study is study of factors affecting success of green marketing in Iran. This study was a descriptive survey and the survey instrument was a researcher-made questionnaire. Statistical society was all of marketers in private industrial companies of Tehran. Sample size (248 persons) determination is based on the Coochran formula and cluster random sampling method was used. After data collection, data analysis was performed using SPSS. Results showed that size of the company, financial conditions and management of the company affect success of green marketing in Iran.

Key Words: Green Marketing, Size of the company, Financial conditions

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## Introduction

The environment has become a vital and crucial issue for all people whether as a customer or as a manufacturer. Since traditional marketing emphasizes customers' needs excessively and does not consider social welfare and environmental issues this matter has entered in all dimensions of corporations, it has affected marketing and has been led to the appearance of the concept of green marketing. The term green in marketing roots in ecological and environmental issues and corporations or people use it when they want to talk about environmental or ecological pressures (Doaee, Fathi & Sheikhan, 2009).

Concepts such as green marketing-environmental and social marketing have been proposed in marketing literature over time for acting to social responsibility of corporations. Green marketing which is known as sustainable marketing too is a process that is implemented today even in developing countries. Due to the issue of preserving the environment consumers rethink about the products they purchase. Nowadays, many consumers are prepared to pay a higher price for the products which observe environmental standards for actual protection of the environment.

Marketing experts and counselors are interested in studying how environmental issues affect the growth of marketing activities (Chamorro et al., 2009) but definitely it is not a new subject. An extensive number of marketing fields has investigated the relation between natural environment and consumer behavior (Diamantopoulos et al., 2003) and marketing strategy and public policies plans (Press & Amould, 2009). Green marketing has been created to identify and target social and environmental awareness, i.e. the business demand party (Smirnova Henneberg, Ashnai, Naude, & Mouzas, 2011).

The main topic is about definition of value from what it has been created. Marketing and management theoreticians suggest that multi-dimensional acts of values can be developed and this contains the three-fold bottom line that includes the community and environmental values besides financial value (Robins, 2006). The issue of how value of the corporation can be defined significantly so that it merges environmental effects of the corporation has not been investigated highly. However, some academic fields like social accounting intend to determine social value of corporations (Knirsch&Sz kely, 2005).

Green marketing which is referred to as sustainable marketing too is a process that is implemented today even in developing countries. Due to the issue of preserving the environment consumers rethink about the products they purchase. Nowadays, many consumers are prepared to pay a higher price for the products which observe environmental standards for actual protection of the environment (Kotler&Armstrong, 1999). The root of green marketing can be investigated in the wave that began in the 1970's over environmental issues and was led to the introduction of the concept of environmental marketing. This concept considered modern industries and technologies which damage the environment seriously. For this reason the proposed environmental issues at the end of the 1980's and



beginning of the 1990s were resulted in serious reaction of many marketing thinkers and activists (Peattie & Charter, 2003).

## Methodology

The present study is a descriptive one. Theoretical bases of the study were collected by reputable sites, books and related articles. The information and data for hypothesis testing were gathered by a researcher-made questionnaire. Statistical society was all of marketers in private industrial companies of Tehran. Sample size (248 persons) determination is based on the Coochran formula and cluster random sampling method was used. In this study, Validity and reliability of the questionnaire was approved. Validity of the questionnaire was accepted by expert opinion of university and reliability of that was calculated by Cronbach's alpha and the value of that was 0.84.

Before completing the questionnaire by the participants, basic description of the study and its objectives as well as additional details about the questions presented to them. Enough time to complete the questionnaire was provided to participants. Write the name and characteristics of participants for the questionnaire was not compulsory, so they can fully express their opinions. After gathering information from the questionnaires, the data were analyzed and results are discussed with the findings of previous studies. All of data were analyzed by SPSS software.

## Results

Table 1 indicated descriptive statistics of participants. As demonstrated by the table bachelor participants with 50.4% make the most and participants with job experience higher than 15 years are highest in the group of job experience. Also higher than 40 years participants with 56.1% are the maximum range of age.

Table 1: Descriptive statistics of participants

Statistics						
Education	Diploma		Bachelor		Master and Higher	
	98	%39.5	125	%50.4	25	%10.1
Job Experience	Less than 10 years		Between 10-15 years		Higher than 15 years	
	90	%36.3	21	%8.4	137	%55.3
Age	Less than 30 years		30-40 years		Higher than 40 years	
	42	%16.9	67	%27	139	%56.1



### - Does size of the company affect success of green marketing?

Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means the positive effect of size of the company on success of green marketing.

Table 2: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%	
					Lower bound	higher bound
<b>size of the company</b>	1.75	0.255	4.02	0.001	0.142	0.278

### - Does financial conditions affect success of green marketing?

Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means the positive effect of financial conditions on success of green marketing.

Table 3: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%	
					Lower bound	higher bound
<b>financial conditions</b>	2.14	0.255	5.02	0.001	0.177	0.255

### - Does management of the company affect success of green marketing?

Since the test statistics is lower than table critical value at 95 percent and corresponding confidence interval shows positive, this means the positive effect of management of the company on success of green marketing.

Table 4: The mean comparison based on the one-sample t test.

Variables	Average	SD	t	sig	Confidence intervals 95%
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					Lower bound	higher bound
<b>management of the company</b>	2.78	0.177	3.98	0.001	0.111	0.215

## Discussion

Results showed that size of the company, financial conditions and management of the company affect success of green marketing in Iran. In recent years the global life environment has been deteriorated by gradual growth of the population and in order to satisfy consumers' demands. Destruction of environmental systems is related to consumer's life style and behavior. By gradual increasing of awareness of the environment and environmental protection People have taken part in establishment of corporations supporting the environment and environmental rules to prevent permanent destruction of the environment through international trade sanctions. Today, paying attention to the importance of green products and green consumption has been converted into the proposed actions to guarantee sustainable development (Miao & Tsai Jia, 2009).

All societies across the world have recently considered that environmental issues are continuously increased due to a large amount of environmental pollutions produced by industrial plants (Chen, 2008). This propels the corporations to accept environmental responsibility (Chen et al., 2006). At the most primary level a corporation is a collection of people who suffer from accumulation of individual problems at the corporations' level. Given to the perspective of neoclassic economy, it means that corporations are responsible to create value for shareholders although many believe that more extensive types of performance are important too (Hillman & Keim, 2001).

Marketing as an action is now limited. Therefore, it is interesting that marketing act (and generally business strategy) is not as explicit as integration and dealing with environmental issues and their effect in the society (Smart, 2010). By development of globalization more than the two previous decades, sustainability has been converted into a political concept from a technical concept and then the main business flow (Liu, Leat & Smith, 2011). The major challenge of humans in the present century is to find a more sustainable and equitable way for production, consumption and life. This challenge in marketing has two dimensions.

Green marketing is a social process that people and groups satisfy their needs and demands through an ethical method which minimizes the negative impacts on the environment by means of exchanging the products and their value (Dahl, Dilek & Persson, 2008). In other words, green marketing includes all activities that are designed to create and facilitate transactions and satisfy human needs and demands which have minimum harmful and



destructive effects on the environment (Cheah & Phau, 2005). Green marketing is regarded as one of the important attitudes in modern business. Demand for ecologic products of business activities compatible with the environment is due to the increased awareness of customers about environmental issues. To put it differently, if businesses are aware of the impact degree of environmental variables on purchasing behavior and green and sustainable consumption of consumers, they will take steps to adopt initiatives and a more sustainable and stable marketing and it responds to challenges of the modern era of green marketing in the best manner that are foresight, justice, equation and emphasizing the needs by observing the rights of future generations (Charter & Clark, 2007).

Social responsibility of the corporation is a concept through which corporations consider the social and environmental concerns voluntarily in business processes and interaction with their shareholders. In other words, social responsibility is transparency of the adopted methods by corporations in managing the environmental, economic and social topics which can improve relations of employees, customers and beneficiaries (Jones, Clarke & Hillier, 2007).

Nowadays corporations across the world try to achieve market share in the competitive scope to be able to increase their sales quota with regard to their competitors. Market share is measured given to the percentage of a corporation's total sales during a special time period to total products sold in the market. In order to obtain competitive advantage corporations utilize their resources to improve their relative status with regard to the competitors and enhancing the status of the corporation causes to form better opportunities in the future. Market share shows relative status of competition that is represented by ratio of market share in comparison with the biggest competitors. It is regarded as a unique index of the corporation's status in the market.

The corporation that has the highest share enjoys advantages such as economies of scale, validity of the brand, influence in the distribution channel and a unique marketing mix more probably. Experimental observations show that there is a relation between market share and profitability. Indeed corporations which have a high market share might be different from those which have a low market share in terms of various aspects of market share, because those corporations may have a better management or perhaps better expertise than other ones. High expertise and appropriate market along with suitable products can be led to market share increase and profitability (Khademi&Safarzade, 2006).

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