

EVALUATION OF GREEN MARKETING PERFORMANCE: A METHODOLOGICAL PERSPECTIVE

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Abstract. Green marketing has drawn the attention of academics and practitioners during the last few decades. However, no holistic framework has been developed on how to evaluate the implementation of green marketing orientation at the organization level. The article has an objective to analyze methodological perspective of evaluation of green marketing. Authors have identified that questionnaires, interviews, and observations are the most common methods chosen for the evaluation of green marketing performance. The evaluation of green marketing performance can be based on particular scales applicable for the evaluation of green marketing. This study enriches the literature by building a base for the formulation of benchmarks for the evaluation of green marketing performance in contemporary organization. Results of the research have shown that green marketing performance should be undertaken at strategic, tactical and operational levels.

Keywords: *Green marketing, progress, methodological framework, criteria.*

JEL Classification: M30, M31, M37, Q56.

INTRODUCTION

Customers all over the world are worried about sustainability-related issues more than ever before by clearly demonstrating the increasing interest in environment protection aiming to terminate or prevent global warming, socially irresponsible consumption, squandering of the ozone layer. Customers worldwide are increasingly concerned about issues relating to sustainability. This is clearly demonstrated through their ever increasing interest in the protection of the environment seeking to terminate or prevent further increases in, global warming, to prevent the over-consumption of non-renewable resources and to halt the depletion of the ozone layer. Customer attitudes have shifted significantly over the last decade from being very skeptical about green products to the commoditization of green products. In turn, many organizations have responded to this shift by embracing green initiatives. Products that are non-toxic, recyclable, and environmentally friendly have become the focus of marketers to satisfy customer demand and increase profits. Organizations in many industries worldwide are making changes to products and marketing, emphasizing green principles in response to customer demand and to improve the global environment. Organizations have to allocate additional investments for greening the marketing, so evaluation of performance of green marketing becomes a must.

The implementation of green marketing initiatives has been discussed in many different contexts (Rex & Baumann, 2007; Chan, 2013; D'Souza *et al.*, 2015; Saxena, 2015). However, there are few examples of methods that could be used to evaluate organization's level of and progress in green marketing. Therefore, to develop approaches to assess green marketing performance, intensive research is required. This study aims to investigate a methodological background for green marketing evaluation.

The paper begins with a discussion of the problems that arrive when evaluating performance of green marketing. This is followed by a description of scales and methods proposed in previous research and a conclusion summarizing the insights the research provided.

3. PROBLEMS IN THE MEASUREMENT OF GREEN MARKETING PERFORMANCE

Previous green marketing research has focused on customer profile and the size of the market (Rex & Baumann, 2007). This has meant that the information gathered is very much from the customer perspective and information regarding organization-level green marketing orientation and implementation is limited.

In addition to this, there are misconceptions around the term “green marketing.” The concept of green marketing appeared at the end of 1960s (Zampese *et al.*, 2016; Papadas *et al.*, 2017). This concept is concerned with such terms as ozone friendly, recyclable, etc. However, in some analyses green marketing has been restricted to advertising only (Chen, 2016) while others include the evaluation of marketing strategies that have no bearing on “greenness” (Nadanyiova *et al.*, 2015). These discrepancies of meaning lead to difficulties in the evaluation of green marketing performance.

We suggest that any assessment of green marketing processes should be based on a wide perspective of green marketing. Previous literature review in the field of green marketing has described green marketing of an organization as its undertaking of strategic, tactical and operational marketing activities with a holistic aim to make, market and deliver their products with the minimum environmental impact possible (Vilkaite-Vaitone, Skackauskiene, 2019). This broad notion needs an evaluation strategy that is based on a synthetic and integrated concept of green marketing, a concept confirmed by Z. Yong *et al.* (2011) who state that green marketing evaluation is synthetic includes multiple objects, elements and levels of processing.

As environmental issues become increasingly important to customers, competitors, governments and international organizations, some organizations may choose to appear greener by promoting themselves as green rather than being green. This practice is called “green washing”. When large, international companies (i. e. Walmart, Starbucks, BP, etc.) are being accused of “green washing”, it is essential that the choice of method applied for the evaluation of green market initiatives and the progress made reveals the real situation rather than one merely beneficial to the company.

Literature review results in the typology of approaches to green marketing: assertive and defensive. Organizations that follow an assertive approach to green marketing aim to respond to market trends and reach beyond stakeholder expectations. Defensive green marketing can be described as strategies that mean that organization only meets the minimum regulations, often to avoid penalization of financial or other type (Chan, 2013). The chosen method for the assessment of green marketing needs to reveal either the defensive or assertive marketing strategy of the organization in question.

The evaluation of green marketing and its success and progress should give a specific result that indicates the level of greenness of an organization. A numerical result is the most preferable. However, quantification of a scale for the performance of green marketing becomes a challenge in most cases (Yong *et al.*, 2011).

Green marketing researches have been limited to national boundaries (Rivera-Camino, 2007; Yadav *et al.*, 2016; Duffett *et al.*, 2018). There exists a possibility that a recommended method would not be appropriate for organizations operating in differing surroundings and contexts. Therefore, the evaluation method should allow for organizations operating at both national and international levels.

Past studies have generated both theoretical and practical insights into green marketing evaluation but have also highlighted problems experienced in the process of evaluation. It is essential that the chosen method can (1) reveal organization's advancement at strategic, tactical and operational levels, (2) show the factual state of performance of green marketing within an organization, (3) identify the type of strategy that is used, (4) reveal the level of green marketing performance in the organization, and (5) be applicable in case of international organizations.

METHODOLOGICAL FRAMEWORK FOR THE EVALUATION OF GREEN MARKETING PERFORMANCE

In undertaking a literature review, we found that the most common techniques used in the evaluation of green marketing were questionnaires, observations and interviews. Questionnaire researches (Rivera-Camino, 2007; Abzari *et al.*, 2013; Chan, 2013; Ko *et al.*, 2013; Richey *et al.*, 2014; Majerova, 2015; Nadanyiova *et al.*, 2015; Singh, Kumar, 2015; Yadav *et al.*, 2016; Papadas *et al.*, 2017), and observations (Ham, Lee, 2011) are common for the evaluation of green marketing. These evaluations are grounded on data collected from organizations or their customers. C. Gurau and A. Ranchhod (2005) conducted interviews with British and Romanian organizations in order to find out possibilities and difficulties faced in implementing green marketing at international level. by T. Paiva, V. Garcia (2016) and R. Duffett *et al.* (2018) also applied interview method in order to investigate green marketing in Portugal and South Africa respectively. Combined data multi-gathering techniques are also considered to be acceptable for the evaluation of green marketing performance (Fuentes, 2015; Saxena, 2015; Chen, 2016; Duffett *et al.*, 2018). C. Fuentes (2015) applied a combination of observations, interviews, collection and analysis of artifacts in order to evaluate green marketing performance. R. Duffett *et al.* (2018) used a two-pronged approach and employed in-depth interviews for an initial qualitative study followed by a quantitative questionnaire.

The review and analysis of the research in the field of green marketing has revealed a large variety of scales for the measurement of green marketing. Out of the ten measurement scales that were explored in this research (Chan, 2013; Fraj *et al.*, 2013; Ko *et al.*, 2013; Richey *et al.*, 2014; D'Souza *et al.*, 2015; Yadav *et al.*, 2016; Papadas *et al.*, 2017; Duffett *et al.*, 2018; Chen, Yang, 2019; Dzulkarnain *et al.*, 2019), three were one-dimensional tools for the measurement of green marketing performance (Fraj *et al.*, 2013; Richey *et al.*, 2014; Duffett *et al.*, 2018). Scholars also proposed multidimensional tools to measure green marketing performance (Chan, 2013; Ko *et al.*, 2013; D'Souza *et al.*, 2015; Yadav *et al.*, 2016; Papadas *et al.*, 2017; Chen, Yang, 2019; Dzulkarnain *et al.*, 2019). Multidimensionality in particular cases did not assure a systemic approach to green marketing concept. It is noticeable that the majority of the previous scales that were reviewed in this research did not consider green marketing at three distinct levels: strategic, tactical and operational.

A review of scales previously proposed revealed that much of the existing literature focuses on top management (Chan, 2013; Fraj *et al.*, 2013; Richey *et al.*, 2014; D'Souza *et al.*, 2015; Papadas *et al.*, 2017; Duffett *et al.*, 2018; Chen, Yang, 2019; Dzulkarnain *et al.*,

2019). There exists an alternative to ground scales of green marketing on customers (Ko *et al.*, 2013; Yadav *et al.*, 2016).

An analysis of the existing literature regarding green marketing performance lets to formulate a conclusion that there exists a broad variety in the approaches of green marketing and in the methods and scales for green marketing evaluation. The shortage of a systemic approach to green marketing evaluation within organizations leads authors of this article suggesting a newly developed approach to the evaluation of green marketing performance.

CONCLUSION

This study has investigated the methodological backgrounds used for the evaluation of green marketing. This included a retailed literature review which revealed that the selection of suitable methods, criteria, and scales for the evaluation of green marketing performance is not straightforward and achieving a true evaluation of performance can be problematic.

Our findings suggest that questionnaires are predominantly used for the evaluation of green marketing. Significantly, this study implies that much of the previous research undertaken has had either a too constricted or too wide focus to gain an awareness of green marketing at strategic, tactical and operational levels. Particularly noticeable in the scales intended to measure green marketing performance is the lack of elements relating to operational marketing.

Future research may be able to concretize scales for the evaluation of green marketing progress by encompassing both academic and business experts. The next step in the research is to develop a scale that allows the measurement of green marketing at strategic, tactical, and operational levels.

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