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GREEN-MARKETING

Could green-marketing be a sustainable competitive advantage for retailers within South Africa?

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ABSTRACT

Global consumer spending trends indicated a growth in the popularity and support of green-marketing in many retailers within the formal sector with the exception of South Africa (SA). The research contained in this study therefore sets out to gain understanding of whether retailers within the formal sector of SA thought green-marketing could create a sustainable competitive advantage for them.

Rigorous and methodologically sound exploratory case study research was conducted where the literature reviewed provided no answers, with the result of research questions. The design of this study was multiple unit of case analysis within an embedded design. The context was retailers within SA formal sector; the case was Massmart with two embedded units of analysis being Builders Warehouse (1) and Makro (2).

The results were then used to address the primary research objective, to discover if green-marketing could be a sustainable competitive advantage for retailers within SA.

Findings of this study suggested that the SA retail market would evolve towards pursuing a green-marketing strategy, firstly to achieve a short-term competitive advantage; however the competitive advantage would not be sustainable due to green-marketing becoming the norm and not the exception. Furthermore, in the long-term, retailers who do not engage in a green-marketing strategy will not be sustainable within SA.

DECLARATION

I declare that this research project is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Business Administration for the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university.

Name : Tracy Allen _____ **Date** _____ :

Signature : _____

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"Life is no brief candle for me. It is a sort of splendid torch which I have got hold of for the moment and I want to make it burn as brightly as possible before handing it on to future generations." George Bernard Shaw



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CHAPTER 1: Introductory to the research problem

1.1. INTRODUCTION

The following chapter will explore the retail industry. The need for this study is clearly identified in this chapter, which then leads directly into the research objective. Green-marketing is a very broad topic, as such; the research scope is limited to address the research objective. The research objective is to identify whether green-marketing could be a sustainable competitive advantage for retailers within SA. The outcome of this study was this report, herein contained the creation of a knowledgeable source of data that could be used for the purpose of this objective, and the basis for further research.

1.2. DESCRIPTION OF THE PROBLEM AND BACKGROUND

A research problem is the question that exists that leads to a need for the study because no answers were found within the literature reviewed, in theory, or in practice (Creswell, 2003). This study addressed the research problem of whether green-marketing could offer retailers within SA a sustainable competitive advantage.

Environmental, ecological and green-marketing are similar terms used in the literature. This study used the term green-marketing, defined as “The development and marketing of products designed in a manner that is sensitive or responsive to ecological concerns” (American marketing association, 2007). Green-marketing is a relative concept, as different people and counties will have different perceptions of what it constitutes according to their perceptions which will change over time (Peattie, 1995).

A company is said to have a sustainable competitive advantage when it is able to maintain above average profitability for a number of years (Hill and

Jones, 2004). Sustainability within the green-marketing context would include meeting the needs of the present without compromising the ability of future generations to meet their own own needs (Peattie, 1995).

This study was designed for an exploration into the underlying perceptions and cognitive decision-making processes of retailers within SA, from the view point of whether they believed green-marketing could offer retailers within SA a sustainable competitive advantage.

At first this study focused on the understanding of sustainable competitive advantage as it related to green-marketing being the foundation of the study (section 2.3.1). This study then leads into positioning as it is a core element of a sustainable competitive advantage (section 2.3.2). Each element of positioning was reviewed within the literature study: product procurement (section 2.4); packaging (section 2.6); pricing (section 2.7) and communications (section 2.8) as they relate to green-marketing.

1.3. THE IMPORTANCE OF THIS STUDY

Current global warming trends are unequivocal. It is very likely that greenhouse gases released by human activities are responsible for most of the warming observed in the past fifty years. These trends are projected to continue with greater intensity over the course of the 21st century and beyond (Green facts, 2007). Therefore, this study is important for retailers on the premise of what Jeffrey Immelt, the Chief Executive Officer (CEO) of General Electric, pointed out when he was recorded saying : “The opportunity to provide environmental solutions is going to be one of the big four or five themes of our generation of business leadership” (Gunther,2007). Thus, this study proved important.

SA like most emerging markets is characterised by mass consumerism (Witepski, 2007, p.31). With challenges such as poverty, rising crime,

violence and social inequalities, which have meant that green-marketing has been a focal area (Davern, 2007). Even though according to the World Wide Fund, SA is consuming more than its fair share of the earth's resources (Leape, 2006), retailers continue to procure and sell product that are highly dependent on natural resources. It appears that retailers have not considered that the limits of natural resources could restrict their business operations. According to a new survey from Eye-for-Procurement, the retail sector is not making green-marketing a high priority (World business council for sustainable development report, 2007).

Conceivably, the magnitude of the real challenge that lies ahead for retailers will be to find ways to harness the vigour of the profit motive and simultaneously reduce the demands made on natural resources, which is identified within this study's objective.

According to Field (2006), some retailers are implementing environmental practices due to high awareness around the impact of poor consumer habits with regard to consuming traditional products. Retailers agree that green-marketing is not a passing trend and they are aware of the expanding demand for green-products (World business council for sustainable development report, 2007). Ottman (2007, p.5) defines "green-products are typically durable, non-toxic, made from recycled materials, or minimally packaged. Of course, there are no completely green-products, for they all use up energy and resources and create by-products and emissions during their manufacture, transport to warehouses and stores, usage and eventually disposal" .

Some traditional retailers have responded to the concerns of customers and society by introducing a range of green-products. Peattie (2005) highlights that retailers placed pressure on their suppliers to improve their 'upstream' green-marketing performance. In their role as the channel between manufacturer and the final consumers, retailers are often the first to feel the effects of any green consumer reaction. Hereunder are examples of what

some traditional retailers have implemented with regard to green-marketing (Planet retail, 2007):

- United Kingdom supermarket Tesco's carbon footprint label launched in January 2007 and from May 2006 GBP100 million was invested in a range of sustainable environmental initiatives;
- United States home improvement retailer Home Depot's labelling program 'Eco-option' started in April 2007 that identifies products which have less of an impact on the environment;
- SA's premium supermarket Woolworths announced the launch of a five year plan they call 'Good Business Journey' in the first half of 2007. In June 2007 Woolworths introduced its 'our green-label' used to identify textiles products made with fibres from a sustainable source, on the back of many other green-product initiatives that have been working towards protecting the environment under their 2012 Good Business Journey' plan.
- China B&Q launched its 'Better Home' campaign in March 2007 to promote lower environmental impact products to consumers seeking a more sustainable home and lifestyle;
- United States Wal-Mart in 2008 will begin asking electronic suppliers to fill out a scorecard that will assess the sustainability of their product.

Retailers are confronted with increasing pressure from legislation and non-government organisations (NGO's) to encourage environmentally responsible consumerism by practising green-marketing.

In the Business Report, Bill (2006) wrote about SA's current energy crisis, followed by Enslin (2007) who reported on Eskom's consideration of solar power as an energy solution. It was noted that the media have alerted and informed the public of the energy shortage and for them to consider their

purchase of products in the sense of them using less energy, or an alternative energy source. As such, the micro environmental element provides retailers who procure green-products with an opportunity to respond to the market by selling suitable products. Energy saving globes, solar panels, and energy conserving heaters are a few examples.

Furthermore retailers within SA who are publicly listed, risk losing foreign investors who would prefer retailers within their investment portfolios who pursue a green-marketing strategy.

1.4. PURPOSE OF THIS STUDY

The research is important because there is very little evidence of retailer research regarding green-marketing within SA, albeit their power in their environment. Retail power is highlighted in the 2007 Deloitte and Touche survey, Massmart Holdings was ranked 140th out of the 250th strongest retailers globally in sales (Global powers of retailing, 2007).

A retailer's sales is a direct indication of how much money consumers chose to spend purchasing products within retailers, resulting in the retailers acquired power. Therefore, the influence a retailer has on consumers' product choice is directly related to the products they procure and sell which impact on the environment.

The purpose of this study was to investigate whether green-marketing could offer retailers within SA a sustainable competitive advantage. As such, this study explored green-marketing in the context of SA from a retailer's perspective in 2007, in order to discover whether green-marketing could be a sustainable competitive advantage for retailers within SA. Retailers naturally are opportunistic, thus a study that identified potential for them in gaining a sustainable competitive advantage would be more readily accepted for research to be conducted.

It is evident through observation of the products on retailer's shelves and through their marketing campaigns, that green-marketing is not fully explored within SA given the limited offering of green-product in retailers. As such, this study was found to be relevant, with the specific research objectives identified in the section that follows.

1.5. RESEARCH OBJECTIVE

The research objective was discovered through participant-observation and conversations with leaders in retail which confirmed the need for green-marketing research to discover if it could be a sustainable competitive advantage for retailers within SA.

The first step was to articulate the collective understanding of retailers with regard to sustainable competitive advantage in the context of green-marketing. Positioning is core to sustainable competitive advantage, as such, the four elements that make up positioning, being product procurement, packaging, pricing and communication, were explored as they related to green-marketing to meet the identified research objective in section 1.6.1.

Findings thus far are based on literature searches and additional conversations with senior retail management. The research questions were converted into the following primary objectives :

1.5.1.PRIMARY RESEARCH OBJECTIVE

The primary research objective was to discover if green-marketing could be a sustainable competitive advantage for retailers within SA.

When the primary research objective was achieved, a clearer picture was established of the retailers understanding of whether green-marketing could

be a sustainable competitive advantage for retailers within SA. This allowed the researcher to make pertinent recommendations that retailers and academics would find relevant, useful and possible to implement, or to be used as a base for further research.

1.6. RESEARCH SCOPE

The scope of this research study excluded the retailer's required holistic approach, so as to keep the study focused. As such, some of the areas that were excluded from this study were: social responsibility, ethical business practices, trade policy, government legislation, carbon footprint, store lighting, store insulation, store air conditioning, re-cycling store waste, logistics management and consumer plastic bags at check-out points.

1.7. RESEARCH LIMITATIONS

A limitation of the qualitative nature of a case study method is that subjectivity may have occurred as potential bias from the researcher. This could have impacted on the validity and reliability of the research but was guarded against where possible (appendix D). During the research process a flexible design was used allowing for the uncovering of a number of variables which were unknown to the researcher at the beginning of the study. The research methodology, validity, reliability, limitations and assumptions are expanded on in chapter 4. This study did not evaluate the degree of success or failure of retailer's green-marketing attempts.

1.8. RESEARCH OUTCOMES

The emerging result was discovered as well as the commonalities and differences across the retailers selected as case studies. This created a knowledge base about the larger meaning of the data; the proposed green-marketing research question and all the other key issues that were raised in the discussion had. Based on this study relevant and insightful recommendations were made with regard to whether green-marketing could be a sustainable competitive advantage for retailers within SA. Furthermore, this research may encourage retailers to initiate further research thus enabling them to pursue a green-marketing strategy if it is suitable to them.

1.9. SUMMARY

In recognising and acknowledging the importance, purpose, primary objective, scope, limitations, as well as the results of this research study, it is suggested that the results of the study are more likely to be interpreted appropriately.

1.10. LAYOUT OF THIS REPORT

The layout of the research report will follow the framework of chapters, as set out below.

Chapter 1 introduced the research topic and provided context to the research. The main research problem is whether green-marketing could create a sustainable competitive advantage for retailers within SA.

Chapter 2 is a review of literature on broad retailer strategic opportunities, competitive advantages, after which the review focus was narrowed into

marketing positioning elements: product procurement; packaging; pricing and communication, in the context of green-marketing from a retailers' perspective.

In chapter 3 the research questions are presented encompassing each of the marketing positioning elements mentioned above, as well as sustainable competitive advantage, in the context of green-marketing so as to address the aim of the research.

In chapter 4 the rigorous and methodologically sound exploratory case study research method is presented, which discusses the multiple unit of case analysis within an embedded design approach which was applied for this study.

The presentation of the qualitative research results is offered in chapter 5.

Chapter 6 is the interpretation of the results related to the research objective.

Chapter 7 allows the researcher to conclude, give recommendations and suggest further research in closing for this research report.

CHAPTER 2:LITERATURE REVIEW

2.1. INTRODUCTION

In order to address the aim of the research, it is of importance to have established a sound literature base around which the study was built. In this chapter, an in-depth study is offered of published literature on the specific and related topics of green-marketing from a retailers' perspective.

2.2. BACKGROUND

Industrial activities have created ecological problems, for example, global warming, natural resource scarcity and air pollution (Brown, 1993). The Living planet report 2006 advised that the planet resources are being used up faster than they can be renewed (Leape, 2006). Leape (2006, p.1), is more specific when he states "We must balance the consumption with the natural capacity to regenerate and absorb our waste".

Shrivastava (1995, p.183) writes "If the world economy shifts towards an ecological orientation, it will change the competitive landscape of industries in terms of consumer preferences and demands, industrial regulations and competitive opportunities". Noted in the literature reviewed that the demands for green-products have increased with the heightened awareness of environmental issues (Prothero, 1990; Schlegelmilch, Bohlen and Diamantopoulos, 1996).

In 2007 Gunther specified that global warming was the "game changer" and that firms could no longer attempt to operate in a vacuum concerning environmental issues. Firms face pressure to become "environmentally correct" (Chambers and Whitehead, 1993), with the argument that

environmental regulation enhances the firm's economic performance (Gore, 1992).

Gore (1992) suggested that a better balance between economic and ecological variables need to be found. Gladwin (1992, p.1) highlights "If goals of sustainability are to be achieved, firms must be reformed, redesigned and restructured to minimise the negative ecological impacts". Miles and Covin (2000,p.299) agreed with Gore and continued the discussion highlighting "concurrent requirements to simultaneously improve financial performance and environmental performance encourage firms to seek innovative ways to utilise green-marketing and management as a source of enhancing reputation and competitive advantage and ultimately financial performance" (Miles and Covin, 2000, p.299).

For retailers wanting to increase their sales, the only way to do it responsibly is in the form of green-marketing (McDaniel and Rylander, 1993). In order for a sustainable competitive advantage to be realised, environmental consideration need to be integrated into all aspects of marketing (Ottman, 2007). Therefore, retailers pursuing a green-marketing strategy may be in a stronger position, hence gain a competitive advantage in profits and sustainability (Ottman, 2007).

2.3. RETAILER

Levy and Weitz (2001, p.8) define a retailer as "a business that sells products and services to consumers for their use. Retailers are the final firms in the distribution channel that link manufacturers with consumers". In today's society, retailing affects every aspect of life, because activities performed by retailers are important to consumers and are big business in society (Levy and Weitz, 2001). Green-marketing is therefore important to the retailers because it has been recorded that the "behaviour of retailers matters for consumers" (Dobson and Waterson, 1999, p.164).

Kotler and Keller (2006) highlight that marketing is managerial and social by definition. It is a process by which individuals obtain what they need and want through creating, offering and freely exchanging products. Johnson and Scholes (1988, p.7) state “Retail strategy is about matching its activities to the environment in which it operates”.

Green-marketing (as defined in section 1.2) for some time has been considered to be a major trend in business (Witepski,2007; Kassaye,2001; McDaniel and Rylander, 1993; Pujari and Wright, 1996; Simms, 1992). Companies pursuing sustainability emphasised environmental issues in their marketing planning more clearly than traditional marketers and therefore seek competitive advantage through green-marketing (Kärnä, Hansen and Juslin, 2003). Smith (1998) writes that the opportunity is for retailers to use green-marketing as a tool to connect consumers’ current lifestyle needs to more sustainable ways of satisfactory customer fulfilment.

Green-marketing requires the needs of individual consumers to be considered against the best interests of society, and then for the short-term pressure of profit to be balanced against the longer-term requirement of sustainable growth (Peattie, 2005). Peattie (2005) describes green-marketing in the context of the expanded marketing agenda which includes the relationship of the firm, its competitors to society, and the environment whilst embracing the long-term future of all concerned, (see figure 1 below).

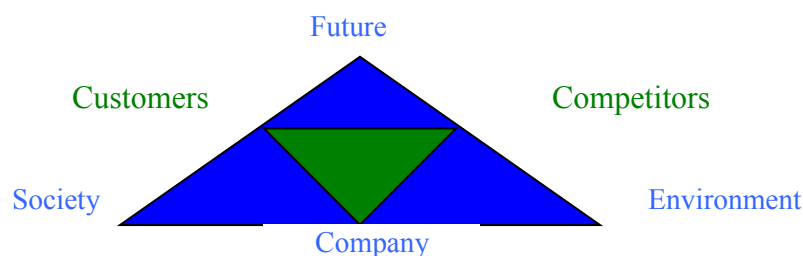


Figure 1 The expanded environmental marketing agenda

Source : Peattie, 2005, p.40

As such, the identified strategic opportunity was for retailers to sell more green-products due to the current increased customer demand. However, the barrier to overcome is the higher pricing on green-products (Crane, 2000).

2.3.1.SUSTAINABLE COMPETITIVE ADVANTAGE

Levy and Weitz define a sustainable competitive advantage as “an advantage over competition that can be maintained over a long time” (2001, p.175). In order for retailers to create a sustainable competitive advantage, they need to develop a compelling value proposition that meets the needs of their customers in a way that is more than just the core positioning of their offering (Kotler and Keller, 2006).

Esty and Winston (2006) report on how companies build green-marketing into their core business strategies, with an outcome of a competitive advantage. However, the only way a retailer can maintain a competitive advantage is to continually improve its efficiency, quality, innovation and responsiveness to customers (Hill and Jones, 2004). Research has indicated that sustainable practices can lead to improved environmental stewardship; a cost-based competitive advantage through continuous improvement in resource usage and waste reduction; and the creation of value for consumers through targeting more environmentally sensitive segments of the market (Miles and Coven, 2000). As such, sustainable practices represent a new source of competitive advantage.

The positioning approach to strategy development is associated mainly with the work of Michael E. Porter. Strategic choices focus primarily on the structure of the industry and how it might be shaped to advantage. The aim is to establish a position in an industry that is difficult to enter (Dacko, 2002). The underlying assumption is that ‘green’ issues could become issues of tomorrow’s competition. Thus, given a scenario where a retailer must decide when to enter a market with a green-marketing proposition, it may be influenced by the market characteristics. Market characteristics such as its

level of customer switching costs between traditional and green-products, rate of technology change for suppliers to make green-products, degree of consensus development with the supplier and growth rate in terms of increased customer demand can also influence the market entry timing decision for retailers.

Competitive advantage based on market position tends to reflect significant first-mover advantages in market-specific investments, skills and infrastructure, which follower companies will find more expensive to replicate (Dacko, 2002). First-mover advantage may be defined within this context as the first retailer who offers revolutionary green-product in a monopoly position. As the first-mover the opportunity exists to capture significant revenues and profits by meeting the consumer's green-product demands first. The first-mover could potentially be the major retailer's due to their clout and relationships with suppliers, as well as their larger market share. An example of a major retailer in a first-mover position is Wal-Mart in America. Hill and Jones (2004, p.242) state "Despite limitations, some first-movers have the ability to capitalise on and reap substantial first-mover advantages being that of pioneering new technologies and products that lead to an enduring competitive advantage".

Although a first-mover firm may obtain high rewards due to the absence of competition, their strategy of being first to market can involve high development costs as well as effort spent on educating the market on the new product benefits (Dacko, 2002). In contrast, fast-follower firms prefer a strategy of entering new product markets that the first-mover firm have shown to be viable as well as achieve potentially lower product development costs (Baldwin and Childs, 1969).

Baldwin and Childs (1969) identified that with any given number of firms, the likelihood that the largest will adopt the fast follower entry position would seem to rise as inequality of firm size increases. A firm with a very large share of existing markets which pursues a fast-follower market entry strategy might reasonably anticipate enjoying a relatively rapid penetration

rate and a large final share in any new product market. Furthermore, the dominant retailer is likely to be favoured as an imitator because of such factors as its ability to distribute a new product far more widely and in a short period of time compared to a smaller retailer due to its current reputation among a large number of customers, its ability to engage in more extensive advertising than its rivals and conceivably because its leading position in current markets is attributable to greater efficiency and the general ability to produce better products at lower costs than any of its rivals.

In conclusion, a fast-follower entrance strategy with regard to green-marketing is normally cheaper, quicker and less risky for a large retailer to implement than the innovative first-mover strategy.

2.3.2.POSITIONING

Positioning is to define a target group in the specified market by identifying their specific needs and then matching them to the retailer's unique selling proposition (Hamel and Prahalad, 1996). Target groups are clusters of consumers, NGO's, media and regulators.

Positioning competitively means anticipating and creating future target groups. A retailers positioning can influence its speed of environmental market development (Hamel and Prahalad, 1996).

David Blyth, managing director of Enterprise IG was cited by Witepski (2007, p.72), saying" A green-company has a distinctive sustainable approach, business philosophy so that its brand is an intangible asset that creates a specific image in people's mind." Hill and Jones (2004) further explained positioning as a specific set of options a company adopts for a product on the main dimensions of marketing. These selected dimensions of marketing need to be based on points of differentiation which are feasible, communicable and sustainable.

Brand positioning requires an understanding of consumer behaviour in the context of a brand (Kotler and Keller, 2006). In some markets, a position is achieved by associating the benefits of a brand with the needs or lifestyle of the market segments. More often, positioning involves the differentiation of the company's offering from the competition by making or implying a comparison in terms of specific attributes (Levy and Weitz, 2005).

Positioning green-products should be understood as a dynamic learning process. Thus a retailer always has to re-ensure that it comes closer to the needs of its customers while stretching those needs at the same time (Hamel and Prahalad, 1996).

Green-positioned is not limited to products only. Corporate image and credibility are pre-conditional for successfully selling green-products (Hamel and Prahalad, 1996). A company that “produce superior quality products, use truthful advertising and act in a socially and environmentally responsible manner and have a history of fulfilling their obligations to various stakeholder groups are creating a reputation advantage “(Miles and Covin, 2000, p.300). Reputation is the set of perceptions held by people inside and outside the company, which is built over time, to be come sustainable. Sustainable practices must be part of the organisations culture, thus it must be authentic to be sustainable (Witepski, 2007).

2.3.3.IDENTIFIED RESEARCH QUESTION

➤ Sustainable Competitive Advantage

A question that was not found to be answered by the study above, but is imperative to create context and understanding has been identified as recorded below.

Could green-marketing be a sustainable competitive advantage for retailers within SA?

2.4. GREEN-PROCUREMENT

A product has been described by many authors as something that provides a useful output for the user and it exists because of its ability to fulfil the user's need (Alting, Hauschild and Wenzel 1997). Peattie (2005, p.181) advises that "green-product is one of the newest product classifications to arise, and that it is also one of the most difficult to apply". Peattie (2005, p.181) defines a product as being 'green' when "its environmental and societal performance, in production, use and disposal, is significantly improved and improving in comparison to traditional product".

Schvaneveldt (2003, p.142) writes "Manufacturers are coming under increased scrutiny regarding the environmental performance of their products. Not only must the products meet user needs for quality and cost, they must address the environmental concerns of society at large". Davern (2007, p.18) highlights a problem being that "the costs to create green-products are higher and a problem across the board is consistency regarding the availability of recycled materials".

Buyers within retailers hold the gatekeeper position of deciding what product to procure as well as the visibility of the product in-store (Peattie, 2005). There are two ways in which retailers procure green-products; firstly, by showing leadership in their store brand programs (brands which are specific to retail stores); secondly, by pressuring manufacturers of branded products to make and sell them green-products (Cramer and Schot, 1993). Retailers such as Wal-Mart, Woolworths and others have taken operating practices and environmental policies into consideration when selecting a supplier (Wal-Mart, 2007; Woolworths, 2007).

There have been general reviews of organisational buying behaviour (Hutton, 1997). Drumwright (1994) reported that green-product procurement often stemmed from the buyer's individual moral commitment. Organisational context also has influenced product choice whereas Hutton (1997, p.429), gave more insight as he too thought it mainly a function of

“personal characteristics such as self confidence, knowledge, experience and risk-taking style”. Brand equity has also influenced organisational buyers (Hutton, 1997), especially when they procure globally as there is much difficulty with regard to determining the quality of product, Levy and Weitz (2001).

In the World Wildlife Fund’s Trade and Investment Programme Report, Davern (2007, p.19) informs “all the two hundred and ten strongest companies surveyed would like to give preference to environmentally certified green-products or services in their procurement, with only fifty percent expecting such goods to match the cost of the less sustainable option”. Prior to Davern’s findings, Dobson and Waterson (1999) report that until a positive record of consumer demand is established for green-products, it will be difficult for most manufacturers to finance the bringing to market of green-products. This was evident in the results cited in the 8 August 2007 survey from Eye-for-Procurement which states “Although companies are increasingly aware of the benefits and importance of green-procurement, most of them are only acquiring a small portion of their materials in that way. Only thirteen percent of respondents are sourcing half or more of their products in a sustainable way, while fifty five percent said they source less than ten percent of green-products” (World business council for sustainable development report; 2007). Therefore, in order for a retailer to have gained a sustainable competitive advantage it needs to build relationships that are mutually beneficial to all industry players (Peattie, 2005).

The long-term supply chain view should be taken as it was vital in maximising its success and profitability (Hill and Jones, 2004). A retail supply chain is defined as the systematic activities performed by a retailer to bring product to market, such as procurement, infrastructure of systems and management that ties the supply chain together. The partnerships of mutual value between manufactures and retailers within the supply chain should have included trust, communication and financial commitment as they are

key drivers in establishing green-product (Shrivastava, 1995). In order to gain advantage a retailer must be efficient within the chain to reduce costs and create value by being consumer focused (Hill and Jones, 2004).

Levy and Weitz (2001, p. 440) highlight “Retailers can’t succeed without their vendors. To survive, they must be able to count on a predictable supply of merchandise at competitive prices and with sufficient promotional support“. As such, strategic partnerships between suppliers and retailers are created explicitly to uncover and exploit joint opportunities that could lead to an advantage (Levy and Weitz, 2001).

Levy and Weitz (2001, p. 440) write “Retailers who can successfully team up with their vendors can achieve a sustainable competitive advantage, there needs to be more than just a promise to buy and sell on a regular basis“. The partnership should have optimally led to growth of the demand of green-product, due to the innovation in the supply that fulfils the customer’s needs (Labatt, 1997). Graham (1995, p.39) highlights “Consumers demand an opportunity to clean up the mess without having to give up on price or quality“. Dobson and Waterson (1999, p.136) write “Despite improvements in product quality, however, some concerns remain with the characteristics of those products offered under full retail competition. Perhaps most importantly, despite the inclusion of some new renewable product content, the majority of products still rely largely on existing resources, many of which are utility owned“.

The signals given by the major retailing chains would create a path for smaller retailers to follow, with regard to procuring and selling green-products (Labatt, 1997).

Schvaneveldt (2003, p.138) further points out that the “Environmental goals are critical to improving the environmental performance of products and should be integrated into the product development process“. As such, product planning and design become critical to improve the environmental performance of products, as little can be done to improve a product’s

energy consumption, materials usage, recyclables or toxicity beyond its originally designed performance levels. It has been estimated that eighty to ninety percent of a product's environmental impacts are determined early in the product development process (Schvaneveldt, 2003).

A methodology that has been used by organisations to improve performance is that of benchmarking products. Benchmarking was defined by Bhutta and Huq (1999, p.254) as "The process of identifying the highest standards of excellence for products, services, or processes and then making improvements necessary to reach those standards". While environmentally sustainable was the most significant benchmark, it was difficult if not impossible, to specify the performance level necessary for an individual product to be considered environmentally sustainable. The participant-observation of Johri and Sahasakmontri (1998) were that there are mixed consumer perceptions around green-products positioning because of the variability of supply and demand of product and its premium pricing. Schvaneveldt (2003), later identified the reason for this difficulty of green-product positioning was that sustainability is a property of the entire system of nature, production and consumption, for instance a product's life span (Schvaneveldt, 2003).

2.4.1.IDENTIFIED RESEARCH QUESTION

➤ Green-procurement

A question that was not found to be answered by the study above, but is imperative to the possible advantage a retailer could achieve through green-marketing, has been identified as :-

How could a retailer within SA ensure sustainable green-procurement in practice?

2.5. GREEN-DESIGN

Green-design provides a framework for uniting conventional product and packaging perspectives on design and management with environmental ones. The central creed of green-design regarding product was to create them according to a design ethic that ensured a reduction in the use of non-renewable, less and low-impact materials usage as well as optimised distribution systems and production techniques with the outcome of longer-lasting and better-functioning products that would need to be replaced less frequently (Davern, 2007). Green-design for example, has improved the recycling ability of the packaging by addressing: the disassembly time; increased usage of recycled materials for packaging; and reduction of packaging (Schvaneveldt, 2003). As such, green-design leads to the creation of a green-product that would have formed part of a continuously increasing global response to the environmental crisis. However, the response has been slow as some manufactures natural tendency was to allocate primacy towards financially expedient solutions at the expense of environmental considerations (Bailey, 1999). The downside of the development of green-packaging is that there is an increased degree of uniformity across green-products. As stated by Peattie (1995), if refilling systems are to accept bottles the size and shapes have to become relatively uniform. As such, green-products need to differentiate themselves through their branding.

2.5.1.SUMMARY

In summary, green-design is a foundation to the understanding of a green-product and green-packaging.

2.6. GREEN- PACKAGING

The industry council for packaging and the environment (INCPEN) defines packaging as an outer-layer of the product that protects goods from damage, allows efficient transport distribution, offers convenience, prolongs

shelf-life, enables easy use, informs the consumer and helps to promote goods in a competitive market place (INCPEN, 2003). Packaging therefore is an integral and essential part of the industrial and commercial supply chain.

Retailers sell millions of products a year and nearly every one of them is packaged. Packaging of a product offers opportunities for improving the environmental performance of the tangible product without altering the core product (Peattie, 2005). Andrew Marthinusen, executive director of the Packaging Council of SA, points out “Green-packaging is not happening on a large scale in SA” (Witepski, 2007, p.28).

The private sector failed to create solutions which took into consideration the full environmental cost of packaging (Bailey, 1999). It is the entire life cycle of the package that needs to be considered: source, print, assemble, pack, preserve, ship, display, purchase, use and recycle/dispose. Sustainable packaging design considers the full life cycle of the package, recognises the principle of shared product responsibility (SPR) and consequently seeks to minimize the total packaging system cost through efficient and safe package life cycle design. Organisation for economic co-operation and development (OECD) defines SPR as a voluntary system that ensures responsibility for the environmental effects throughout a product’s life cycle by all those involved in the life cycle, from suppliers, manufacturers, retailers and consumers (Organisation for economic co-operation and development report; 1997).

The packaging trade literature indicated that there were interdependencies between retailers, manufacturers and their suppliers regarding packaging modifications, even though there was little evidence of a common methodology towards packaging policy between all sectors of the packaging supply chain. According to Labatt (1997), there were instances where it was their combined effort to develop modifications that resulted in an overall reduction in the amount of packaging used. A reduction of packaging material is positive for the environment, as well as the supply chain due to

the reduction of waste after product use, materials cost to make up product and the reduction in transportation and storage cost (Schvaneveldt, 2003). There are a number of ways in which packaging can be reduced without compromising the primary performance of the packaging as well as reducing the total cost i.e. sell in larger unit sizes, sell refills, reduce the thickness of the packaging material, switch the packaging to a material of which less is needed, and/or use efficient design formats (Peattie, 2005). However, according to Witepski (2007, p.30) “product is still packaged with too much packaging and designers should try to minimise the amount of surplus material”.

The INCPEN report findings on the popular presented image of packaging which often failed to recognise the contribution that packaging makes to modern lifestyle and exaggerated packaging environmental impact. Attention is usually focused on the waste generated by used sales packaging and more often ignores the fact that packaging protects far more resources than it uses, thereby reducing overall waste (INCPEN, 2003). Packaging has important economic and social roles in modern society and delivers its own environmental benefits. In terms of waste and its disposal, packaging is but one small part of the total waste stream (INCPEN, 2003). For products that require large amounts of packaging, Shrivastava notes that green-packaging is a source of competitive advantage (1995).

As such, designers of product and packaging have a huge responsibility to ensure that their designs have a sustainable impact on the environment and furthermore that they advise the customers be it manufacturers, or brand managers of their alternative packaging option (Witepski, 2007).

An independent research study in 1997 found that consumers hold contradictory attitudes to packaging: they want and enjoy the benefits of convenience, hygiene and safety, but they also perceive packaging as wasteful (INCPEN, 2003). Labatt (1997,p.115) supported these findings when he states “Manufacturer’s and retailers alike are sensitive to consumer acceptance of changed products and packaging and are aware of

consumer demand for the safety, convenience and labelling that packaged goods must meet”.

2.6.1. GREEN-LABEL

A green-label is defined as a graphic symbol applied to packaging of a green-product, or inserted in a brochure that accompanies the product, offering information regarding how the marked products have less of a harmful impact on the environment (Green labelling, 2007).

The origins of green-labelling can be found in the growing global concern for environmental protection. Based on overseas experience, appropriate green-labelling with associated verification and certification procedures is a driver for the increased uptake of recycled content and/or sustainable products (Green labelling, 2007).

International organisation for standardisation identified the overall goal of labels is “through communication of verifiable and accurate information, that is not misleading, on environmental aspects of products and services, to encourage the demand for and supply of those products and services that cause less stress on the environment, thereby stimulating the potential for market-driven continuous environmental improvement” (International organisation for standardisation, 2007).

Green-labelling is important as it is a brand that differentiates green-products and assisted buyers in green-procurement (Peattie and Crane, 2005; Teisl, Roe and Levy, 1990). Over time it carried meaning for customers and served as a market-based instrument intended to bring about environmental improvements, with the added benefit of positive corporate brand image association for retailers who procure and sell the product (Global ecolabelling network, 2004; Witepski, 2007). As such, green-label can reduce complex information and assist green-product purchases (Hamel and Prahalad, 1996). From this point of view, green-companies should support the view of industry wide green-labels. However,

currently there are several existing green-label schemes around the world including the 'European Union eco- management and audit scheme' and the 'Nordic Swan' for example. Environmental accreditations and logos can be found in appendix A. To date, approximately twenty eight countries have established national green-labelling programs. Such labelling of the products threatens to also confuse customers (Green labelling, 2007).

2.6.2.IDENTIFIED RESEARCH QUESTION

➤ Green-packaging

A question that was not found to be answered by the study above, but is imperative to the possible advantage a retailer could achieve through green-marketing, has been identified:

How do retailers within SA make sustainable packaging decisions?

2.7. GREEN-PRICING

“Costs and prices will generally prevent the emergence of totally green, sustainable products. Traditional products are effectively subsidised by the environment, they are unrealistically cheap” (Peattie, 1995, p.288). Over a decade later, Daren (2007, p.18) is found to concur with the latter literature and expands on the debate “costs to create green-products are higher and a problem across the board is consistency regarding the availability of recycled materials”. To these specific challenges, international marketing adds further complexity due to inter-country variability on green-specifications, which are additional costs to the product (Lubieniechi, 2002).

Environmental regulations and costs impact on organisational strategic decisions; sourcing raw materials, locating production facilities, managing energy and wastes (Smart, 1992). The latter had direct consequence on

what was available globally for retailers to procure at a given price and quality. Manufacturers believe that the real costs of pursuing a green-marketing strategy must be recoverable in the selling price, or be used as a marketing tool to gain market share (Glover, 2007). An example being when the green-product required new technology to create, thus incurring an initial operational cost that the manufacturer would incur and pass onto the customer. In the long-term the green-product would have more sustainability for example the energy-saving globes last three times as long as their counterparts and over time the unit green-price would decrease as consumer demand increased.

Peattie (2005) identified a key barrier in developing sustainable products as the emphasis on a products price as opposed to total cost if owning and using the product. Peattie (p.278, 1995) “while consumption continues to expand, taking advantage of price which do not reflect the environmental costs of products, the environment will continue to be unsustainably consumed”.

As evidence has shown the correct environmental behaviour practice need not have necessarily resulted in the increased operational costs, since all the costs within the supply chain are not the focus, but rather the value creating system itself, with the result of mutual value. Therefore it is recorded that what started off as a short-term expense often has proven to be long-term saving, an example would be geyser solar heating panels (Glover, 2007).

Retailers currently place an emphasis on the selling price instead of the total product cost (Peattie and Crane, 2005). Should retailers place emphasis on the total product cost then they would be advantaged by procuring and then offering higher quality products: water-saving showerheads reduce energy bills, rechargeable batteries are more cost effective in the long-term and water-based paints have lower fumes. Products with these types of benefits could lead to first-mover advantage,

an increased market share, long-term profitability and overall corporate improved image (Shrivastava, 1995).

Added to this is the future value that can be captured by supply chain planning for the depleting resources and thus forecasted increase in cost of raw materials used in traditional, which will ultimately increase their price. Whereas the green-products use less resources, their cost will be lower by comparison. As such, an advantage could be achieved though adjustment of the supply chain now.

Moon, Florkowski, Bruckner and Schonhof (2002, p.88) highlight “Consumers’ purchase decisions will be made based on the price premium associated with environmentally sensitive goods. That is, consumers will purchase environmentally sensitive goods until the marginal benefits of environmental attributes equal marginal costs, represented by the price premium”. “A product priced to cover the costs of being truly sustainable would be unable to compete unless customer price sensitivity was very low (Peattie, p.288, 1995). As such, consumer affluence and the closely related concept of price consciousness are important influences on the accepted price of green-products (Peattie, 2005).

In conclusion, Peattie (2005) highlights that the economic approach to pricing emphasised the role of supply and demand, and the relationship between costs and price in determining profit. Moreover, until the monetary price reflects the socio-environmental price, consumerism will still be rife.

2.7.1.IDENTIFIED RESEARCH QUESTION

➤ Green-pricing

A question that was not found to be answered by the study above, but is imperative to the possible advantage a retailer could achieve through green-marketing, has been identified :

Are retailers prepared to consider total cost (environment and social), as opposed to just their cost to purchase and related mark-up?

2.8. GREEN-COMMUNICATION

Environmental consciousness has dramatically increased globally (Armstrong and Hanmer-Lloyd, 1994), though the meaning and degree of green-marketing has varied considerably between countries (Lazaro, 1993). Companies practising green-marketing proved that environmental strategies can form the basis of sustainable competitive advantage (Ottman, 2007).

As such, an opportunity was present for retailers to have appealed to the mainstream consumers through their green-communication, with a consistent clear marketing message that will have empowered consumers to have made decisions about their purchase and its impact on the environment (Steinhauer and White, 1996; Prothero, Peattie and McDonagh, 1997).

Branding experts consider green-communication to have been complicated due to the misconceptions poised in the minds of consumers. Consumers were unclear of the meaning and differentiation of green-communication terms such as, eco-friendly; biodegradable; natural and organic (Melillo, Miller and Soloman, 2006). Furthermore, mixed consumer perception around green-products positioning existed because of the variability of supply and demand of product and its premium pricing (Johri and Sahasakmontri, 1998).

Despite the existence of some evidence to have linked attitudes and green-product behaviour, present literature provided little information regarding the determinants for buying green-products (Kalafatis, Pollard, East and Tsogas, 1999; Kleiner, 1991; Schlossberg, 1991). Zaltman (2003, p.5) states "In order to exploit the new opportunities and build customer loyalty,

managers must know significantly more than they currently do about how customers think and act”.

Retailers that pursued a marketing strategy used a variety of methods to have gained awareness, interest, provided information, persuaded and reminded customers to have purchased products (Levy and Weitz, 2001). However, if retailers do not coordinate their messages to consumers, the communication methods may work at cross purposes with the danger of having confused consumers. Levy and Weitz (2001, p.496) defines integrated marketing communication as “the strategic integration of multiple communication methods to form comprehensive, consistent message”. This integrated marketing strategy was partly because demand and attitudes for green-products were uneven across different market segments and cultures (Peattie, 1992). Levy and Weitz (2001) identify that a lack of information about a product often resulted in a poor consumer decision, especially as the market is not yet in the paradigm of purchasing green-products.

“Given that research from the Point of Purchase Institute suggests that up to eighty percent of consumer purchase decisions are made or finalised in-store, there is considerable opportunity to influence consumers effectively” (Peattie, p.242, 1995). As such, store layout and point-of-sale are important elements in a green-marketing strategy for a retailer to be successful. Point-of-sale includes anything that is not apart of the product and which is designed to communicate with the customer at the point-of-sale (Peattie, 2005). Levy and Weitz (2001) write about the importance and value of point-of-sale, as it informs the consumer’s decision at the time that a product choice was made. A good store layout could have assisted customers in finding and purchasing green-products, which could have affected sales. Levy and Weitz (2001, p.581) state “Departments’ location should be determined by the overall profitability and inventory turnover goals of the assortment, type of product, consumer buying behaviour, the relationships with merchandise in other departments and the physical characteristics of the merchandise”.

2.8.1. IDENTIFIED RESEARCH QUESTION

- Green-communication

A question that was not found to be answered by the study above, but is imperative to the possible advantage a retailer could achieve through green-marketing, has been identified :

What should the purpose of green-communication be for retailers within SA?

2.9. CONCLUSION

Retailers wishing to establish a sustainable competitive advantage need to consider their positioning and thus the differentiation strategies available to them. As well as the environment in which they operate, which influences their competitiveness, a possible example identified in the literature reviewed was the growing green-global-trend that other countries retailers' are responding to.

The reviewed literature exposed the need for further research as research questions emerged where no answers were found within the literature, and thus the research objective could not be met without this research.

This research structure was guided by the specific set of positioning criteria developed by Hill and Jones (2004), whereby a retailer pursuing green-marketing would address: product procurement; packaging; pricing and communication, as this is the base for a sustainable competitive advantage, and therefore this specific literature as reviewed formed the categories of this study.

CHAPTER 3: SPECIFIC RESEARCH QUESTIONS

3.1. INTRODUCTION

A research question is a statement concerned with the logical relationship among concepts, which may be judged as true or false if it refers to observable phenomena (Zikmund, 2003). The following research questions were derived, as the literature reviewed in chapter 2 did not provide likely answers to the research objective.

The literature suggests that there is a growing green global trend for retailers and consumers and that positioning is vital for a retailer to obtain a sustainable competitive advantage, in the context of green-marketing.

However there was a lack of information within the literature reviewed which is why the research questions emerged. The identified research questions directly related to the elements that make up positioning, thus creating specific categories which focused the research study. Once the research questions were answered, the research objective was met with regard to determining whether green-marketing could offer retailers within SA a sustainable advantage, from a retailer's perspective.

3.2. RESEARCH QUESTION 1

- Sustainable Competitive Advantage

Could green-marketing offer a sustainable competitive advantage for retailers within SA?

Evidence was gathered in order to answer the green-marketing research question identified above. The retailer's views of green-marketing in relation to sustainable competitive advantage were investigated.

3.3. RESEARCH QUESTION 2

- Green-procurement

Do retailers within SA ensure sustainable green-procurement in practice?

In order to gather evidence and answer the procurement research question areas of investigation included; the retailers understanding of green-product and its accessibility, whether the opportunity for strategic partnerships with suppliers of green-product existed and if green-products were benchmarked.

3.4. RESEARCH QUESTION 3

- Green-packaging

How do retailers within SA make sustainable packaging decisions?

Evidence related to the above research question was obtained by conducting research within the retailer to understand if there were criteria involved in green-packaging.

3.5. RESEARCH QUESTION 4

- Green-pricing

Are retailers prepared to consider total cost (environment and social), as opposed to just their cost to purchase and related mark-up?

Evidence of retailer on costing was obtained by conducting research within the retailer to understand if price positioning of green-products were considered to be high (niche marketed) or low (mass marketed) and if the retailer could influence the price positioning of green-products.

3.6. RESEARCH QUESTION 5

- Green-communication

What should the purpose of green-communication be for retailers within SA?

Evidence of green-communication was obtained by conducting research within the retailer, to determine if green-communication was part of the marketing strategy and what the future of green-communication may entail.

3.7. SUMMARY

This study offered an in-depth understanding of whether green-marketing could offer a sustainable competitive advantage for retailers within SA.

The research objective guided the literature reviewed (chapter 2), and thus the research questions as they emerged from the literature where no answers were found (chapter 3). In chapter 4 the exploratory case study research methodology was presented which effectively achieved the stated research objective of this study.

CHAPTER 4: RESEARCH METHODOLOGY

4.1. INTRODUCTION

This chapter explains that the rigorous and methodologically sound exploratory case study research method used, which effectively achieved the stated research objective. A case study method as defined by Zikmund (2003) is a research technique that is exploratory in nature, as it intensively investigates one or a few situations similar to the researcher's problem. This method was advantageous because it did not require control of behavioural events but rather it focused on contemporary events for retailers. Yin (2003, p.3) supports the research method in his definition "the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events", which was aligned to the research goal being to predict whether green-marketing could offer retailers a sustainable competitive advantage within SA.

As a result this method was deemed most suitable as it clarified and defined the nature of the problem. The strength of this case study was its ability to consider a variety of evidence being interviews and participant-observations. Unfortunately, supporting documents and reports did not exist within the retailers, as they had not considered a green-marketing strategy before the study, was conducted in July to November 2007.

Below the methodology will be discussed in a stepwise manner.

4.2. EXPLORATORY CASE STUDY DESIGN

In accordance to Yin (2003) the design of this case study would be referred to as a multiple unit of case analysis within an embedded design. The

context of this case study was formal retailers within SA; the case was Massmart with multiple units of case analysis identified as Builders Warehouse and Makro within the embedded design (see figure 2). The retailers within Massmart's portfolio identify, select and implement their strategy that could give them a sustainable competitive advantage.

In contrast, if the case study examined only the global nature of the retailer it would have led to a holistic case study design, as an embedded design would not have been relevant.

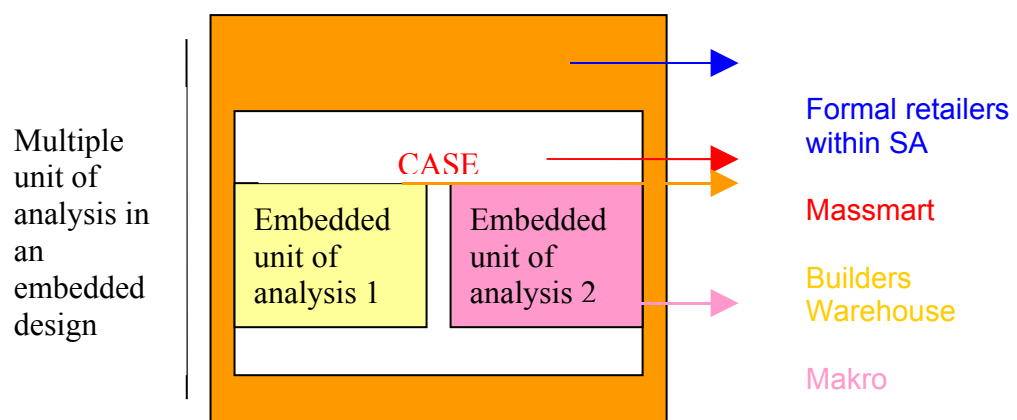


Figure 2 Type of design for case studies

Source : Yin, 2003, p.40

4.2.1.CASE STUDY: POPULATION

Zikmund (2003, p.739) defines a population as “a complete group of entities sharing some common set of characteristics”. The population of this study encompassed all retailers within the formal sector of SA, which was the context of this case study.

4.2.2.POPULATION: CASE STUDY SELECTION

The sample was not representative of the population, and therefore statistical inference could not be drawn.

The 2007 Deloitte and Touche Global powers of retailing report (Global powers of retailing, 2007) was used as a sampling frame. A further selection criterion was applied by the researcher, which resulted in a specified population parameter. The selection criteria was as identified below:

- Firstly the retailer qualified to have appeared in the 2007 Deloitte and Touche Global powers of retailing report;
- Secondly, they had a diversified retail format within SA;
- Thirdly, they had the highest sales and growth within SA.

The above criteria that was used was decided upon for a number of reasons:-

- Firstly, by selecting the case study from the 2007 Deloitte and Touche Global powers of retailing report it was a good indication of the case's success due to the rigorous process of the Deloitte and Touche selection criteria, thus a creating a credible case study for this research;
- The case study qualified in the diversified format category of the aforementioned report led to a greater knowledge base as a diversified format retailer participates in many categories of retail being general merchandise, food and liquor as opposed to specialising. The finding from the diversified case provided a broader understanding, even though they cannot be generalised;
- The case studied had to have the highest sales within the diversified format. A case study with the highest sales has a high probability of having clout due to economies of scale and scope. Therefore should green-marketing be able to offer retailers a sustainable competitive advantage, a large retailer would be in a position to pursue the strategy first and possibly with greater influence and benefit.

Massmart Holdings (Massmart) was the only qualifying SA retailer to be ranked in the sector of diversified retailers globally, with sales of \$ 4.7 (US \$ billion) and with the highest sales growth of 23.8% in 2005. Furthermore, Massmart is a managed portfolio of retail chains, with the third largest distribution of consumer goods in Africa (Massmart, 2007), when the Global powers of retailing 2007 report was written. Based on these criteria Massmart was selected as the case study.

Yin (2003, p.19) states “multiple-case designs are likely to be stronger than single-case designs”. As such, a multiple unit of case analysis within an embedded design was the research methodology of this study (figure 2), as opposed to just one unit of analysis within the case.

- Case Study 1: Massmart
 - Embedded unit of analysis 1: Retailer 1 - Builders Warehouse
 - Embedded unit of analysis 2: Retailer 2 – Makro

4.2.3.CASE STUDY: EMBEDDED UNIT OF ANALYSIS SELECTION

Judgmental sampling generated the embedded unit of analysis being Builders Warehouse and Makro as retailers selected for this case study. The researcher chose each embedded unit of analysis on the basis of personal previous and current employment with both retailers. The judgement sampling technique of which retailers too have selected within Massmarts portfolio, led to the advantage of mutual retailer understanding between the researcher and the interviewees due to historical working relationships, as well as the creation of a supportive environment in which the research was conducted which led to meaningful exploratory findings.

Convenient sampling technique was also used as both retailers head-office's are located in the same geographical area, Sunninghill,

Johannesburg, SA which made access to the embedded unit of analysis convenient for the researcher.

4.2.4.EMBEDDED UNIT OF ANALYSIS: SAMPLE SELECTION

Within each embedded unit of analysis the sample was identified as retail senior management, as they possessed the foresight and knowledge to best address the research question. The respondents were selected by means of a non-probability sampling technique. Zikmund (2003, p.739) defines “Non-probability sampling being a technique in which units of the sample are selected on the basis of personal judgement or convenience”.

Senior management, were first selected on personal judgement based on their position within the retailer, and secondly on convenience based on their availability over the research period.

4.2.5.DATA COLLECTION METHOD

Yin (2003, p.57) states “the protocol is an especially effective way of dealing with the overall problem of increasing the reliability of case studies”. Based on Yin’s recommendation a protocol for this case was developed which then guided the researcher in carrying out the collection of data. Therefore the protocol proved to be important as it kept the research focused on the objective, as well as providing forethought to the possible research anticipated outcomes, which was then planned for (see protocol, appendix B).

The data that emerged from this qualitative study is descriptive, that is, the data is reported in words or pictures, rather than in numbers (Creswell, 2003). Creswell (2003) recommends a qualitative design as opposed to quantitative when a researcher is attempting to interpret a certain phenomenon and he states further that to answer some research questions it is not possible to skim along the surface, the researcher has to explore to gain understanding. Qualitative research, which is more subjective in nature

than quantitative research allowed for a deeper understanding by ways of questioning, examining and reflecting on the less tangible aspect so respondent's perceptions, values and attitudes that they have with regard to green-marketing were attained.

The research was designed for the application of the findings to a particular situation and for further research, as such not just to improve knowledge generally.

4.2.6.DATA COLLECTION DESIGN

The design of this research was guided by Yin (2003, p.28) "the relevant field contacts depend on an understanding of what is being studied". This design of data collection resulted in a logical connection between the research question the literature reviewed, the qualitative data collected and then analysed as portrayed in consistency matrix (see consistency matrix, appendix C).

As such, the theoretical base of this study assisted in the development of the research design of what needed to be explored to understand whether green-marketing could offer retailers within SA a sustainable competitive advantage. Yin (2003, p.29) states "For this reason theory design development prior to the collection of any case study data is an essential step in doing case studies".

The strength of the case study design is that it exposed new insights and relationships in an under researched area, green-marketing. The weakness is that it does not permit a researcher to make valid speculations about the competitive sustainable advantage; green-marketing could offer retailers. This research is only generalised to the extent that the theoretical dimensions are captured in this study.

4.2.7.COLLECTING THE DATA

Different sources of collecting evidence were independently considered with the final selection from the case study database being semi-structured interviews and participant-observations. Ideally, one should have simultaneous data collection and analysis (Merriam, 1998). Guided by Merriam (1998), content analysis was used as the primary data analysis strategy, which involved analysing the interview transcripts and participant-observation notes after each session. “Without ongoing analysis, the data can be unfocussed, repetitious and overwhelming in the sheer volume of material that needs to be processed (Merriam, 1998, p.314).

4.2.7.1.SEMI-STRUCTURED INTERVIEWS

This studies data was collected through a semi-structured personal interview method. Identified strength of the method was its insightfulness as perceived causal inferences emerged and the flexibility in design due to the semi-structured question design, led to further insight into other areas that the interviewee found relevant as new questions were raised during the interview as a result of what the interviewee said, so that the interview flowed more like a conversation than a structured interview which has set questions (Creswell, 2003).

Constructs were derived from the literature base and also contributed to the discussion guide. The purpose of the discussion guide was to direct the interview, so that information collected would pertain to the research objective, which resulted in the anticipated research outcomes being met successfully.

These interviews were conducted with the use of the discussion guide, in the respondent’s office face-to-face and held for approximately forty five minutes each. The single discussion guide used in all interviews can be found in appendix D. Prior to the interviews, the discussion guide was pre-tested with a person of the same qualifying criteria as the sample group to

ensure that it was relevant, understandable and would draw out meaningful information. May it be noted that the pre-test interviewee's responses were not included in the study (see appendix E for the interview schedule).

4.2.7.2.PARTICIPANT-OBSERVATIONS

Recorded participant-observations and reflections made by the interviewer during and after the interviews formed part of the study. Participant-observation technique gave this study the advantage of the viewpoint from someone inside the retailer to record their perceived reality, thus the findings were insightful into interpersonal behaviour and motives. Yin (2003, p.94) reports that “many have argued that such a perspective is invaluable in producing an accurate portrayal of a case study phenomenon”.

4.2.8.DATA ANALYSIS

Theoretical orientation of the literature reviewed guided the case study analysis. The research questions helped create the category construction which focused attention to certain relevant data. Category construction was carried out as it allowed for the recurring patterns that emerged of the qualitative data to be grouped together, as per the groupings emerged from the literature reviewed and then to have tabulated the frequency of respondents who agreed (see table 1, 2, 3, 4, 5, 6 in chapter 5).

The case study data was analysed by building an explanation about the case, which then led to the development of ideas for further study as opposed to concluding the study. In this particular case, the retailer background of the researcher supported the development of suitable categories based on the marketing positioning criteria which is core in gaining a sustainable competitive advantage.

The technique of data analysis used was inductive reasoning, which is defined by Zikmund (2003, p.738) as “the logical process of establishing a general question on the basis of participant-observation of particular facts”.

High-quality analyses required that the multiple sources of evidence were not converged but rather considered separately from any interpretation as reported on in sections separately because they addressed different facts. The interviewees' evidence was first reported separately (see section 5.2.1 Builders Warehouse; section 5.2.2 Makro) and then converged (see section 5.3) as such the case study was supported by more than one source of evidence. Furthermore, research showed adequate concern for exploring alternative interpretations as reported on in sections (see section 5.3.6)

4.2.9.VALIDITY, RELIABILITY, LIMITATIONS & ASSUMPTIONS

Objectivity and truthfulness are critical for believability based on coherence, insight, instrument utility and trustworthiness through a process of verification rather than through traditional validity and reliability (Creswell, 2003).

➤ Validity

Validity is the ability of a measuring instrument to measure what is intended to be measured (Zikmund, 2003). Construct validity was established through the establishment of the chain of evidence apparent in the consistency matrix found in appendix C.

Merriam (1998) states that in attempting to generalise conclusions the depth of qualitative research can be lost. As a result, ensuring external validity was not a focus in this research report but, for internal validity every attempt was made as described. Upfront, the bias that the researcher brought to the study is presented in order to create an open and honest narrative with the reader. All findings were presented, included the discrepant information that runs counter to the themes, as it added credibility to this study. The internal validity of the study was improved through interview checks whereby data analysis was taken back to the source to confirm the conclusions that were drawn from the data (appendix F). This latter procedure was not just done out of professional courtesy but to reduce the likelihood of incorrect

reporting, resulting in the corroboration of the essential facts and evidence which are presented in this case report. Finally, an external auditor was used to review the entire project at the end of the process (appendix F). In addition, every attempt was made to ensure that the audit trail in the final research document was clear. The case study has not yet created a reporting mechanism for green-marketing. As such no reports were included in this study. However, the lack of reporting evidence supported the chosen inductive approach of this qualitative study.

➤ Reliability

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund, 2003). In a limited way, qualitative research can use reliability to check for consistent patterns of theme development and as such played a minor role in the inquiry. The case study protocol (see appendix B) demonstrated that the operations of this case study could be repeated. This case study is complete, characterised by a logical presentation of evidence, the collection of all possible evidence available in the exploratory stage of green-marketing for retailers within SA, and because the researcher knew of the time constraints before engaging in the research it was planned for, thus not jeopardising the findings presented in this report. Furthermore the case study was examined from different perspectives i.e. target audiences, corporate brand and product offering. This report showed sufficient evidence as taught by Yin (2003), which increased the reliability of the findings for the reader.

➤ Limitations

Limitations to the research were identified as it was only a qualitative study with the disadvantages of the selected data collection method were that characteristics of the interviewer may have influenced the respondent, as well as the potential of interview bias as such the researcher tried to act as an observer, and guard against being biased by preconceived notions. To overcome these weaknesses of data collection, the interviewer verbally

summarised their understanding with the interviewee during the interview. The study is comprised of a multiple unit of case analysis within an embedded design, as such the findings cannot be generalised across all retailers within SA formal sector. The limitations of this research provide anchors for future research.

➤ Assumptions

It was assumed that a green-marketing strategy would be different depending on the retail format from a positioning perspective, for example a differentiated retailer (i.e. Makro, Builders Warehouse) versus a specialist retailer (i.e. Woolworths, Body Shop). Furthermore, it was held that to study large retailers as per the embedded units of analysis provided a better understanding of the potential green-marketing could offer retailers within SA because larger retailers have greater clout in the market and appeal to majority of the population who are unable shop at the specialist retailers due to their premium pricing.

All interviewees were senior management within the retailers and it was assumed that they had an understanding of how a retailer within SA, could achieve a sustainable competitive advantage.

4.3. SUMMARY

Chapter 4 reported on the research methodology being the selection of multiple units of case analysis from the case under study. The qualitative design of the study allowed for the use of a discussion guide which directly related to the research questions developed in chapter 3. The data collection process was made as explicit as possible. The issues of validity, reliability, limitations and assumptions were identified in section 4.2.9 which provided further credibility to the findings of this study.

In conclusion the above methodology was sufficient for obtaining the necessary data and insights thus addressed the research objective effectively.

CHAPTER 5: RESEARCH RESULTS

5.1. INTRODUCTION

The chapter that follows represents the results from the research, which set out to investigate whether green-marketing could create a sustainable competitive advantage for retailers within SA. As described in the previous chapter, the research method was multiple unit of case analysis with an embedded design and qualitative evidence was used for content analysis. Findings for each case study were presented separately as well as combined in order to effectively address the research objective on the retail industry, rather than on an individual case, although the findings cannot be generalised from this research report.

The structure of the results herein started with the retailer's perception on whether green-marketing could offer their business a sustainable competitive advantage. Thereafter, reporting was focused on the positioning criteria namely procurement, packaging, pricing and communication, as they relate to green-marketing identified in the research questions in chapter 3. This chapter also includes the reflections and participant-observations of the researcher.

5.2. CASE STUDY DESCRIPTION AND CONTENT FINDINGS

Both units of case analysis are retailers who operate independently yet fall under the same holding company, Massmart. Each retail chain operates under its own corporate brand, with the focus on high volume and low cost distribution consisting mainly of branded consumer goods for cash in SA. Massmart is the third largest distributor of consumer goods in Africa, the leading retailer of general merchandise, liquor and home improvement

equipment and supplies and are the leading wholesaler of basic foods. Massmart latest published results for year-end June 2007. Sales achieved of R34,8 billion, during the fiscal year ended June 2007 and comparable store sales growth of 12,5%. Profit before tax grew by 25,7% to R1,6 billion. Pre- and post-interest operating profit margins increased to 4,8% and 4,7% respectively. Headline earnings grew by 30,6%, exceeding R1 billion for the first time. Return on equity increased from 46,4% to 51,8% and the store network was increased to 994 277 metres squared, a net increase of 3,7% over the previous year (Massmart, 2007).

5.2.1.UNIT OF CASE ANALYSIS 1: BUILDERS WAREHOUSE

The first unit of case analysis was Builders Warehouse, which is comprised of twenty one stores in major metropolitan areas within SA. Builders Warehouse is positioned as offering all home improvement products under one roof, as written in its brand slogan “Home Improvement A-Z”. It targets the home improvement and builder’s hardware market (Builders Warehouse, 2007).

➤ SUSTAINABLE COMPETITIVE ADVANTAGE

Eighty percent of the respondent’s opinion was that Builders Warehouse must pursue a green-marketing strategy in order to be sustainable. The same respondents stated that green-marketing could lead to a short-term advantage by differentiating Builders Warehouse from its competitors, through green-marketing. However, one hundred percent of the respondents interviewed found no reason to respond to the green-marketing trend too quickly because the market was slow in their demand for green-products. The same respondents thought that the demand for a green-product would continue to increase albeit slowly, coupled with an increased number of suppliers. The respondents believed that the increased competition and customer demand would change the market structure therefore resulting in a declining green-price in relation to an increase in green-product creation as well as sales. Ninety percent of the respondents

shared the opinion that green-product would not reach the required price level to create the volume within their generation. For the time being they thought that green-procurement should be focused on customer demand.

In contrast to the above findings only ten percent of the respondents thought that green-marketing could offer no advantage because it only accounted for very few consumers, and therefore the demand for green-product would be low. They believed this would be the case for the foreseeable future as SA is a third world country where the pricing of product draws more customers than the idea of being sociably responsible.

It emerged from the interviews with senior management that the company's policy lies in the initial conversations of change towards stocking and selling more green-products due to international shareholder pressure and benchmarking. Senior management felt that green-marketing would also affect their corporate social image in a positive manner. However no policies or communication has been made at this point in time.

➤ **GREEN-PROCUREMENT**

The findings of this study revealed for retailers procuring globally that green-procurement is becoming easier due to first world countries responding to global warming. The availability of green-product seems to vary by category as well as the sourcing country. The categories where there seems to be more choice in green-product alternatives are those that are legislated by either by SA law, or International law if the product is being procured from a first world country, for example Europe or the United Kingdom. An example of a legislated green-product would be spray paint.

Builders Warehouse currently has a varying understanding of the term green-product, with the respondents agreeing that all green-products can be recycled, but the components which make up a green-product will vary by product type, which is fundamentally a challenge of green-procurement. Moreover, green-product are not top of agenda when retailers procure

products, this is due to low awareness, low demand and high price perception that they and the market have.

Green-procurement is currently not written in the strategy or procuring policies of Builders Warehouse as indicated by all respondents. However, ninety percent of the respondents believed that green-procurement will at some stage form part of the future procurement planning. The respondents thought it would be advantageous to build supplier relationships early in the demand curve, thus being prepared for an increase in the demand with the advantage of being positioned and ready to capture the market when it is ready to purchase green-product. As such the retailer would be positioning itself in the fast follower position to enter the green-marketing space.

One hundred percent of the respondents are uncertain of how many green-products need to be procured. The green-products they procure are predominantly from suppliers who approach the retailer, as opposed to the retailer searching for green-product suppliers.

There was full agreement that green-products need to be benchmarked against traditional products. As such, green-products need to have the same functionality, aesthetics appeal and quite often need to offer an extra benefit to justify their higher cost, as reflected in the findings. Builders Warehouse reported that they would not be prepared to make less of a profit because it was a green-product and furthermore the product needed to fit into their current categories of product in the home improvement retail sector.

One hundred percent of the respondents agreed that they relied on and trusted their supplier, to advise them if a product was classed as a green-product, however respondents reported to having little knowledge and no education with regards to green-product requirements. As such procurement criteria included if the product was suitable for their defined market, safe for the customer, selling at the best price and margin and with no green-marketing criteria. However, as Builders Warehouse gains more

experience with green-product, one hundred percent of the respondents believed that their knowledge would improve over time to be able to question the supplier, thus allowing a comparison to be made between green-products. Currently, branded products are more readily accepted by retailers as green-product when their supplier advises them, because there is a support structure and evidence, whereas unbranded products bought from suppliers in China were reported as not trusted to sell green-product as such they competed mainly on price.

Respondents reported that the green-products they procure are mainly done with the objective to create a point of differentiation and to create increased margin opportunity, thus leading to greater retailer profits. Having said that, Builders Warehouse currently procures the majority of its products for their market based on offering its customers the product they demand at the best price, in so doing ensuring their needs are met. Until green-products meet the social concern of global warming, they will be compared on the same terms as traditional products and as such compete on price and quality.

➤ **GREEN-PACKAGING**

One hundred percent of the Builders Warehouse respondents agreed that packaging is important to the retailer and the customer therefore its aesthetics and functionality cannot be compromised. Builders Warehouse had very little knowledge about the various types of packaging options available. The interview findings were that retailers could influence packaging on most products that are not classified as multinational brands. Builders Warehouse would not consider less packaging because the respondents believed that it may place the retailer's profits at risk from a loss of sales or from an additional cost perspective. Respondents cited examples of additional costs packaging could add would be if the green-packaging was more expensive. Other indirect costs of green-packaging could result in damaged product or increased shrinkage due to minimal packaging.

There was full agreement from all the respondents that they would be prepared to inform consumers to recycle packaging and for the packaging to carry a logo which the customer could identify as to the product being a green-product.

Buyers also look at the label of the packaging for guidance to ascertain if the product is a green-product. Respondents suggested that the logo of approval should be an outside authority that creates awareness for their green-logo and inspects products so that it can be trusted by the market. Respondents did not want the green-logo to add cost to the product and believed it was a supplier's initiative and not that of the retailer.

➤ **GREEN-PRICING**

One hundred percent of the respondents agreed that their retailers would not be prepared to bank less profit in the hope of creating demand for green-product. Two suggestions were presented by the respondents, ten percent suggested that margin be reduced with a simultaneous increase in the volume of product sold, by encouraging green-product purchase. They were however concerned about the possible risk of generating less profit, which then left them undecided.

Ten percent of the respondents thought that green-products had to be better in product offering than traditional products to validate the higher price. Until such a stage in its life cycle when demand increases and evens the retail playing fields when they are priced alike and sold on benefit.

➤ **GREEN-COMMUNICATION**

One hundred percent of the Builders Warehouse respondents agreed that there currently is no green-communication strategy in place and that it would only be created when there were enough green-products procured to promote a complete 'green' offering. No quantity or percentage of green-products that would constitute as 'enough' was found within this study.

One of the respondents identified three types of external customers that needed to be communicated with namely; shareholders, media and the consumer. The message per customer type and communication objective may include positioning the retailer as socially responsible, informing the consumer of specific green-products benefits and creating awareness for the importance of green-product usage versus traditional products.

Seventy five percent of the respondents suggested that green-communications initial role would be to position Builders Warehouse as a retailer pursuing green-marketing in the best interest of the whole of society and secondly as a leader in its retail segment. It was evident in the study that because Builders Warehouse is a large retailer, green-marketing would possibly only meet the expectation of the customer with regard to offering choice of green-products, as opposed to exceeding it.

One hundred percent of the respondents reported that multinational product suppliers are assisting in building awareness for green-products. However there are currently not enough green-product suppliers within the market place due to the low customer demand; hence the green-product benefit awareness is low. The latter has resulted in low procurement of green product from a retailer's perspective.

One hundred percent of the respondents agreed that green-communication would need to break through the communication clutter in order to create awareness and thus communicate a green-message. One respondent suggested that the retailer would need to communicate the green-product's direct benefit that the consumer would receive as opposed to the holistic "save the planet" message. Examples of this could be a dual flush toilet product with the message of the amount of water which translates into the amount of money the customer will save on every flush.

The main communication tools identified by the respondents can be categorised into internal and external communication reported on below.

Internal communication within the store as identified by the respondents to be point-of-sale, packaging and sales staff. The objectives identified by the respondents for internal communication was mainly to provide the consumer with enough information to make a purchase decision at the time of purchase. Ninety percent of the respondents held the view that green-products should be placed alongside traditional products within the retailer because they felt customers shop for product in specific categories, for example all light globes whether traditional or energy saving should be displayed together. The opposing view was that green-products should be merchandised together, thus forming a green-product area in-store, this would in turn differentiate the retailer as per ten percent of the respondents. Staff training is important because empowered staff could switch consumers to green-products when they were initially going to purchase traditional product.

External communication identified by the respondents were; advertising leaflets, brochures, radio and television – the same tools that the traditional products are promoted on, with the exception of adding a more differential copy.

➤ **REFLECTIONS & PARTICIPANT-OBSERVATIONS**

On reflection, it appeared that Builders Warehouse believed that the suppliers and consumers play the biggest role in determining the extent to which green-marketing is successful for them as a retailer. Builders Warehouse perceives their role as the middle-player, whose responsibility is to satisfy their customers' needs. The reason being is that the customers need to start demanding more green-product so that the retailers can increase green-procurement within their ranges and through increased demand the green-price could be reduced.

Furthermore, Builders Warehouse do not acknowledge to have power within the industry structure to change the cost price nor demand for green-products. They view themselves as one retailer amongst many other

retailers, suppliers and customers locally as well as globally, who all have a role in supporting green-marketing holistically. Based on this perception they may encounter perceived limitations in changing the current industry structure, by influencing consumer and supplier behaviour.

One observation of the responses is that a majority of the respondents cited product examples being energy saving globes and pesticides. Both of these products have had regulatory support and media exposure within SA. The amount of green-procurement would depend on how much profit the retailer could make within its financial year and the financial forecast would determine the amount of time and money they budgeted for green-marketing.

Green-marketing is however poorly positioned, which is evidential in the lack of knowledge around the specifics that make it up with regard to product, packaging and the communication message. Green-communication, will only form a part of the strategy once green-products have been procured.

The main benefit identified with a green-marketing strategy was that it could position the retailer as being responsible to global changes. In summary, it could assist in building a corporate brand that customers and shareholders would want to identify with. Builders Warehouse seems to place high value on the intangible and experiential components of their overall brand value proposition. The corporate brand slogan is “Home Improvement A-Z”, which informs consumers that Builders Warehouse sells all products in home improvement, thus setting expectations for consumers that they will have a choice of product in Builders Warehouse. The slogan’s message is made clearer in the value promise being “Biggest Range, Better Value, Best Advice” which is placed in all advertising. As such, if Builders Warehouse were to pursue a green-marketing strategy that was sustainable, it would need to deliver on its corporate promise to the consumer. This would mean that Builders Warehouse would need to carry the “biggest range” of green-

products at a better price than speciality stores and for their staff to be trained so that they can offer advice on green-products.

➤ **CONCLUSION**

The conclusion of these findings is that the respondents viewed green-marketing as a collective industry effort, where the advantage belongs to the retailer in green-marketing who follows and delivers on a first-mover or fast-follower entrance strategy.

Builders Warehouse would support a green-marketing strategy, but they reported the need of a policy, as well as the resources to make green-marketing a reality. Furthermore it was revealed that green-product would complement their current range of product offering, as such being an alternative to traditional products which the retailer stocks.

5.2.2.UNIT OF CASE ANALYSIS 2: MAKRO

The second unit of case study was Makro. Makro is comprised of fourteen diversified retail stores within the SA formal sector. Products sold by Makro are food, general merchandise and liquor (Makro, 2007).

➤ **SUSTAINABLE COMPETITIVE ADVANTAGE**

Respondents had a mixed response of views towards the sustainable competitive advantage green-marketing could offer them as retailers (see table 1).

The positive responses received in the interviews were supported by views that large retailers should procure globally in order to source and sell product at the best price and at the same time find innovative product to differentiate themselves as retailers. Retailers within SA follow the international trend whereby multinationals are already moving toward supplying green-product and consumer demand globally is increasing for

green-product. Respondents felt that retailers within SA are at the beginning of the demand curve and could take the leadership position in the short-term until the SA market catches up and green-marketing becomes the only way business is done.

Respondents indicated that a sustainable competitive advantage would only exist when green-marketing was able to differentiate the retailer through novelty or alternatively when the retailer could sell green-product at a low cost and with high volumes. Moreover, retailers need to remain abreast with the trends in the market place and in so doing so be held accountable to their shareholders.

Ten percent of the respondents supported the concept that green-marketing would create an advantage to the corporate brand as it could reposition the corporate brand as being in touch with the times, thus change consumers perceptions as well as appeal to a new target market.

The respondents reported that the advantage would be sustainable for those retailers who were positioned as offering a niche product to a high end target market who could afford green-product, for example Woolworths with their organic produce. For a retailer like Makro who services the mass-market they would have to sell product positioned on price and at the same time it would have to be a product the market demands so that high volume sales can be achieved from green-products in order for the retailer to have a sustainable competitive advantage through green-marketing. If green-marketing became a way of conducting retail in the future, then the only advantage to be obtained would be for those retailers who entered the market in its introductory phase, as it would differentiate them from their competitors.

The alternative view raised by one respondent was that green-marketing could not offer a sustainable competitive advantage for retailers within SA, because in their opinion South African's are not reported to be green-product conscious.

All respondents believed that the lack of infrastructure such as access to recycling bins, education in schools and enforced legislation would affect the acceptance of green-product.

In summary, one hundred percent of the respondents agreed that from a long-term perspective, Makro would need to follow a green-marketing strategy, as they believe that the market will change giving them no choice but to adapt. No time frame was allocated to “long-term” by the respondents. The respondents believed that they would only have an advantage if they entered the market early and commoditised green-products, thus having aligned green-marketing with their corporate strategy.

➤ **GREEN-PROCUREMENT**

Makro’s respondents had a varying understanding of what constituted a green-product. All respondents agreed that a green-product could be recycled and that it was environmentally friendly. Other descriptions included biodegradability, less packaging and were not harmful to humans, animals and the environment.

The international availability of green-products directly governs the SA retailer’s ability to procure green-product. Respondents believe that they face definite limitations, because the majority of the procurement is imported, whereby SA is viewed as a small market internationally with little influencing power, according to the respondents.

Ten percent of respondents noted that the downside of green-procurement in SA, is that Makro has little influence as it does not reach a critical mass when procuring products. Whereas suppliers like Wal-Mart were reported as being able to form strategic partnerships with the few suppliers of green-products, which limits the green-product sourcing for SA, as the agreement with Wal-Mart is exclusive. However, due to the respondents procuring globally, they advised the benefit of exposure to countries who legislate green-products like the UK and the USA, as it informs them. This influence,

educates SA retailers and in-turn, SA customers. However SA does not tightly regulate green-products as indicated by the respondents and as such the local suppliers do not benefit from selling green-products. Therefore, little consideration is given to green-product creation within SA.

Initially green-procurement is built on supplier trust. Thereafter experience begins to accumulate with the buyer of specific categories. The way in which a retailer knows if a product is compliant is it needs to have the following: labelled as a green-product, the supplier advises them as well as providing a certificate of compliance for certain logos found on the products packaging like biodegradable, restriction of the use of certain hazardous substances in electric and electronic equipment (ROHS), recyclable logo and CE marking. All respondents claim that they could not compare green-products as a comparison as it is too complex due the varying nature of product base (components/ingredients) and the local and international standards that govern them.

Respondents indicated that the product base is the most important element to be 'green', but they procure on the consumer benefit of the product as opposed to the product base, i.e. so that the retailer can create awareness and sell the product to the customer; for example, bamboo towels are softer, as opposed to bamboo is a renewable resource.

Furthermore, availability of green-procurement depends on the specific product category, as some are more innovative than others. Respondents expressed the view that the SA market will determine when it is mature enough, as customers will increasingly demand green-products. With that understanding the landscape is seen to be changing from a supply more than a customer demand perspective. The number of suppliers offering green-product has increased substantially in certain categories, so much so that there is competition amongst the suppliers for their product to be procured by retailers, where as in previous years there was less green-product competition.

One hundred percent of the respondents were unsure of the amount of green-product they could, or should procure. They were definitive that the percentage of imports from countries like United Kingdom, America and the European Union would be in direct relation to the amount of green-product procured as those countries are legislated. Once SA started to legislate, or enforce a tax system for example, then that would also trigger an increase in green-procurement locally. With that said, in the context that the discussion is long-term as SA consumers currently do not demand green-product as they have other concerns.

Respondents believed that retailers will support suppliers of green-products through promotional support, shelf space and at point of sale, more so than traditional product, as they have to offer more information. Green-products will be benchmarked against traditional product and other green-product from a quality, features and price perspective. Retailers will not assist existing suppliers to correct their manufacturing facilities to become green.

➤ **GREEN-PACKAGING**

Respondents view packaging as a critical aspect of retailing with regard to its form and functionality.

The packaging's outward appearance should have the potential to attract, and inform the consumer, which in affect could sell the product. As such the form of the product affects potential retailers' sales, as well as costs, should the product not be sold.

The functional aspect of packaging is in respect of its protection of the product, whereby the retailers try to minimise damages. Respondents all agreed that there was opportunity for packaging to be 'green'. Makro would consider suggestions around packaging as long as it did not encourage shrinkage, it carried the same message and it had the same appeal on shelf amongst its competitors.

The conclusion drawn on green-packaging was that Makro had influencing power to change the packaging, but did not have the knowledge to make the best green-packaging decisions. Packaging is viewed as risky to change because of its role within mass retailers to communicate, sell and protect the product. Retailers do not want to change packaging at the risk of increasing cost or reducing sales. Thus any negative affect on profits is a risk they are not willing to take.

The opportunity to change packaging for the suppliers' products was for the labelling to include a green-logo, as such identifying the product as 'green'. Respondents drew comparisons between "the heart foundation" and "proudly South African" logo, to explain the green-logo concept in the sense that there was marketing and awareness built around the logo and it was audited separately from the supplier of the product and thus awarding the logo credibility. This green-logo could assist green-procurement and the consumers purchase decision.

➤ **GREEN-PRICING**

This study revealed that retailers focus on their actual rand profit and as such the pricing model is basic from cost price, plus retailers mark-up to selling price. This is mainly due to the fact that it is on the profit target that buyer incentives are drawn up.

Green-products in SA are currently positioned as niche, with high margins and high prices but low volumes of product are sold. Seventy five percent of the respondents believe that for certain product types, green-product can appeal to the mass market once the price is lowered. The concern is that customer demand takes a long-time to build. Ninety percent of the respondents would prefer the pricing of green-products and traditional products to be alike, so that they can make decisions on other aspects and not only on the pricing model. However, they believe that the industry is still structuring itself from a customer demand and supplier supporting green-product perspective.

➤ GREEN-COMMUNICATION

The study showed that Makro's initial drive was to position the retailer as acting responsibly from a shareholder perspective, thereafter building supplier relationships so that a greater green-product offering can be procured by the time the customers demand. By this time the retailer's corporate brand will be aligned to green-marketing and as such positioned as the chosen outlet for consumers looking for green-products. One hundred percent of the respondents agreed that the current awareness within the market of green requirements is low and that a lot of discovery is still underway from a green-marketing perspective.

An increase in green-procurement will directly relate to an increase in green-communication. The message needs to be clear and talk to the consumers' expectations. Research of what needs to be communicated in the message was recommended by the respondents. As evidenced by the following question raised by one of the respondents.

“Do customers want to purchase a recycled product – is that not like buying second hand product and would the mass market want that?”

Moreover, the green-logo, as mentioned under packaging, was again mentioned under green-communication leading to the same results. What also emerged from the respondents is that green-communication is comprised of a mix of communication tools like packaging, point-of-sale, broadsheet and for selected products even staff training. Furthermore, it was suggested that the green-product is merchandised alongside the traditional product, with the point-of-sale creating awareness and information around the green-product.

Makro's green-product return on investment will determine the extent of green-communication; examples would be the amount of shelf space given and promotional space. The researcher noted that the retailer would consider aligning their green-procurement to current industry trends thus the

opportunity positioned the retailer as proving a solution to the identified problem. An example cited in an interview, was Eskom's energy shortage and the promotion of energy saving globes by the retailer.

One respondent felt that to change customers buying behaviour, a reward system would need to be created for customers “buying green”. However, this should only be implemented according to the respondent once the retailers have a comprehensive range of green-products.

➤ **REFLECTIONS AND PARTICIPANT-OBSERVATIONS**

Green-marketing is comprised of elements within the retailers control and those outside their control which are reliant on the supplier which leads to a poor foundation for a sustainable competitive advantage. An example would be that green-procurement is done mainly on supplier trust. Furthermore, retailers are reliant on consumer behaviour change, to drive demand as well as supplier change to invest and develop green-product design, whilst still trying to achieve their increasing financial targets.

Retailers also feel obliged to participate in green-marketing where it makes sense for the majority of shareholders, and want to do so willingly, but are unsure exactly how and where to begin.

Participant-observation was made that the process towards a sustainable competitive advantage through green-marketing will be slow and continuously evolving as retailers, suppliers and consumers gain knowledge and experience over time. Moreover, green-products are expected to evolve continually through experience as they have to better meet the customers' needs, which will hopefully drive demand and therefore encourage green-marketing throughout the supply chain. SA retailers appreciate the global players setting the trend as such SA retailers are in a position to follow the future trend of green-marketing at a lower cost due to less research and development.

On reflection, retailers require the market to increase their demand for green-product. Consumers need to become more outraged with global warming, resource shortages for example, so that the global bodies drive legislation change, which will directly influence industry and suppliers who create product and sell to retailers. When retailers have a greater choice of offerings to procure they can use their retail position to reduce the price of product, which then further increases will demand.

The link to the cycle explained above is media. The media was identified as having incredible strength with regard to changing attitudes and affecting behavioural change, which is required for green-marketing to offer an advantage for first-mover retailers.

The market needs to become aware of the need to buy green-products and change their attitudes towards green-products, which is where the government, education and the media would have shared responsibility. Respondents felt that we are at the beginning of the curve, but the generation to follow would ride the growth wave.

A participant-observation is that over time the market will change so much so that green-products will be easier to procure and legislation will force compliance for retailers who do not to act “green”, this will in turn have detrimental affects to their social image.

➤ CONCLUSION

Makro reported that they would like to participate in green-marketing as the respondents believe that it is the “right thing” to do. They thought that green-product is at the beginning of the product life-cycle but are unsure of the timing of the demand curve. The product demand curve is low for two main reasons identified by the respondents. Firstly because market playing fields are not level, with regard to green-product being out priced, as it still costs more to produce and nor is there benefit in selling for the retailer. Secondly, there is low customer demand. This is due to it being too expensive and that

they cannot perceive the value due to their current perceptions based on their limited knowledge base.

Seen holistically, the South African market needs to be driven to change, with assistance from the media, building awareness, knowledge and desire for green-products. Makro believes that they will most certainly lead when the market is ready for them to, and this is when they will achieve an advantage through green-marketing.

5.3. CATEGORY CONSTRUCTION WITHIN CASE STUDY

Category construction was carried out as it allowed for the recurring patterns that emerged from the qualitative data to be grouped together, as per the groupings emerged from the literature reviewed and then to tabulate the frequency of respondents who agreed. The case study is reported on holistically as such the two units of analysis have been combined, therefore reporting so that the research questions can be addressed, that feed into the research objective.

5.3.1. CATEGORY 1

➤ SUSTAINABLE COMPETITIVE ADVANTAGE

Research Question 1 - Could green-marketing offer a sustainable competitive advantage for retailers within SA?

The research results reflected that green-marketing is a requirement for retailers to stay in business in the future, thus green-marketing would be sustainable for retailers within SA. However, green-marketing could be a competitive advantage for retailers within SA in the short-term, but in the long-term it would not differentiate the retailer as it was reported that it would potentially become the norm for all retailers.

Retailers who choose to pursue a green-marketing strategy, according to the respondents, would need to pursue a first-mover or fast-follower entrance into the market strategy. The respondents used the above two entrance strategies interchangeably leaving the researcher with the understanding that the retailer holds no preference to the before mentioned entrance strategies. The retailer reported that it will choose an entrance strategy that positions them as a leader amongst direct retailer competitors, at the lowest cost, as such not incurring high research and development cost or holding stock of green-products that are not demanded by the consumer.

The literature revealed that green-marketing offered short-term advantage for retailers who entered the market with a first-mover strategy, as recorded by Hill and Jones (2004) seen in section 2.3.1 of this thesis. However a fast-follower position may also lead to a short-term advantage. Ottman (2007) states that companies practising green-marketing proved that environmental strategies can form the basis of sustainable competitive advantage. This literature found to be true by this study as shown in table 1 below, where ninety five percent of the respondents reported that green-marketing could create a sustainable competitive advantage for retailers. However, only twenty percent thought that it would be a long-term competitive advantage; whereas eighty percent thought that it would be a short-term competitive advantage.

Table 1: Sustainable Competitive Advantage

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS	
Sustainability: Could green-marketing, create sustainability for retailers?	Yes	No
	95%	5%
Competitive advantage: Could green-marketing lead to a competitive advantage for retailers?	Yes	No
	100%	0%
If so, would it be short-term ? Or would it be long-term ?	Yes	No
	80%	20%

5.3.2.CATEGORY 2

➤ GREEN-PROCUREMENT

Research Question 2 - Do retailers within SA ensure sustainable green-procurement in practise?

The literature revealed that buyers within retailers hold the gatekeeper position of deciding what product to procure as well as the visibility of the product in-store (Peattie, 2005), which the evidence in table 2 supports.

What emerged from the study and indicated in table 2 is that there is currently a lack of green-procurement policy for buyers within the retailers. Sixty percent of the respondents identify green-products by a logo on the product; forty percent thought that green-products do not all carry green-logo and therefore are not always identifiable as being a green-product.

One hundred percent of the respondents do not compromise on the product offering, by benchmarking all products when they decide what product to procure for the retailer.

The literature revealed that partnership should have optimally led to the growth of the demand of green-product, due to the innovation in the supply that fulfils the customer's needs (Labatt, 1997). This study identifies that supplier-partnerships would be supported by one hundred percent of the respondents. To clarify any ambiguity, the partnership would not be in the form of vertical integration whereby the retailer would assist the supplier with manufacturing compliance for example, but rather in the retail channel in the form of marketing support through an internal and external promotional strategy to create visibility, awareness and drive sales.

Table 2: Green-procurement

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS	
	Green-procurement policy: Are retailers driven to stock a certain percentage of green-products?	Yes 0%
Green-logo on products: Are green-products identifiable to the retailer through use of a logo?	Yes 60%	No 40%
Benchmarked: Are green-products benchmarked against traditional products in respect of quality and functionality?	Yes 100%	No 0%
Supplier-partnerships: Would retailers be prepared to enter a green-product partnership with a supplier?	Yes 100%	No 0%

5.3.3.CATEGORY 3:

➤ GREEN-PACKAGING

Research question 3 – How do retailers within SA make sustainable packaging decisions?

Retailers do not make sustainable packaging decisions, as revealed in the study, because they have little packaging knowledge.

The respondents knew very little about the types or processes of packaging, as such they did not request suppliers to create green-packaging. Retailers focus predominantly on the trade-off of the aesthetics and cost of packaging. One hundred percent of the respondents believed that packaging was vital to sell and protect the product, as such would not risk change, as it could affect their sales, thus their profit.

In the literature review Andrew Marthinusen, Executive Director of the Packaging Council of SA, points out “Green-packaging is not happening on a large scale in SA” (Witepski, 2007, p.28). Table 3 below, supports the reviewed literature where one hundred percent of the respondents do not believe that the amount of packaging should be reduced, which is a key element of green-packaging. However the same respondents deemed that the packaging should be made from recyclable materials, and

communication that it is recyclable by means of a logo on the packaging. Sixty percent of the respondents felt that an external body should create a green-logo and be responsible for its meaning. There is consistency in the literature reviewed and the study's findings regarding green-packaging. Tabulated hereunder are the categories that emerged from the research.

Table 3: Green-packaging

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS	
	Yes	No
Less Packaging: Reduce the amount of packaging	0%	100%
Green-logo: Used for identification of product, Created by an external body for credibility	60%	40%
Recycle Logo: All packaging should be created from recycled material and carry the recycle logo	100%	0%

Therefore, as indicated in the literature reviewed, designers of product and packaging have a huge responsibility to ensure that their designs have a sustainable impact on the environment and furthermore that they advise the customers, be it manufacturers or brand managers of their alternative packaging option (Witepski, 2007).

5.3.4. CATEGORY 4

➤ GREEN-PRICING

Research Question 4: *Are retailers prepared to consider total cost (environment and social), as opposed to just their cost to purchase and related mark-up?*

One hundred percent of the respondents reported that retailers within SA are only prepared to consider financial cost, as that is what performance and in the long-term, retailer sustainability is measured on.

Further research findings were that green-pricing is high, thus the positioning of green-product is a niche position, as shown in table 4 below. This study confirmed the findings in the literature of Johri and Sahasakmontri (1998), where they reported that in less developed and developing countries, producing and selling green-products might be more expensive in comparison with traditional merchandise.

Table 4: Green-price

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS	
	<i>High green-price:</i> Niche positioning	Yes 100%
<i>Competitive green-price :</i> Mass positioning	Yes 0%	No 100%

5.3.5.CATEGORY 5

➤ GREEN-COMMUNICATION

Research Question 5: What should the purpose of green-communication be for retailers within SA?

All respondents agreed that the purpose of green-communication is to position the retailer as being socially responsible, creating awareness that the retailer sells a selection of green-products within its range of merchandise, and finally to provide the consumer with enough information to make an informed purchase decision not only based on price between traditional and green-products.

The study's findings shown in table 5 confirmed the literature reviewed, that the green-communication strategic approach would be integrated, as opposed to focusing on one communication medium. Levy and Weitz (2001, p.496) state, "Integrated marketing communication is the strategic

integration of multiple communication methods to form comprehensive, consistent message”.

One hundred percent of the respondents thought that point-of-sale was the most important tool in the green-communication medium mix, which supports the literature of Peattie, “Given that research from the Point of Purchase Institute suggests that up to eighty percent of consumer purchase decisions are made or finalised in-store, there is considerable opportunity to influence consumers effectively” (p.242, 1995).

Eighty percent of respondents thought that packaging and print brochures were also very important as green-communication mediums.

Only sixty percent felt that staff training was a medium for green-communication, and a reason cited was that not all products require personal selling. Furthermore, the respondents believe that their retailers encourage self-service and as such customers make an informed decision with the evidence they can visually see at point of purchase.

Table 5: Green-communication

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS
Internal: Point-of-Sale	100%
Internal : Green-logo to identify products	80%
External: Print: Brochure	80%
Internal: Staff Training	60%

5.3.6.CATEGORY 6

➤ GENERAL FINDINGS

The majority of the respondents had positive expectations about the interviewing process. They saw the interview as a tool to understand how

green-marketing could enrich their retailer strategies from an actual point of departure.

What emerged from the research was that green-marketing comes at a price, whereby internal retailers need to be trained so that they can procure, package, communicate and price their green-products more effectively.

Two key elements that a majority of the respondents cited were that green-marketing would become a retail requirement in order to stay in business in the long-term and that the move towards green-marketing would be a slow one because the SA market has more pressing concerns. As such product will be the main market driver. A range of elements inhibiting green-marketing emerged in the study, and were captured in table 6 below.

The respondents pointed out that green-marketing is a socio-economic phenomenon. The relationship between economic activities with regards to how much discretionary income consumers have and the consumers social life, was cited as directly affecting the acceptance and growth of green-marketing. Therefore one is led to conclude that social activity impacts on economic activity and visa versa. An economic change like consumers earning a higher income, or the unemployment rate decreasing, could translate into more consumers having extra money to afford green-product. Consumers behaviour could change towards demanding more green-products when 'green' is better understood and becomes a part of the South African culture of product choice.

Table 6: Elements inhibiting green-marketing

RESPONDENT CATEGORIES	PERCENTAGE OF RESPONDENTS
SA culture, values – Need driven, linked to price conscious	80%
Low green-marketing awareness from school to business	100%
Green-pricing is high	100%

Demand for green-product is niche	100%
Green-marketing is not well understood, with little awareness and regulation	100%

The next chapter will address the interpretation of the results documented in this chapter.

5.4. CASE STUDY: PARTICIPANT-OBSERVATIONS & REFLECTIONS

Both cases viewed green-marketing as an opportunity for transformation and as a sustainable way of doing business in the future, as opposed to a threat or restriction. Harmonising business growth with social concerns is an important value proposition and is more sustainable as real value is created for all stakeholders.

Green-procurement does not go as far as considering the suppliers traceability-to-source for all raw materials the product processes in order to make the product. As such, when the supplier gives the retailer a certificate confirming that the product is compliant to certain green standards, the original supplier of the raw materials or components may not meet this requirement. Furthermore, respondents did not make reference to asking suppliers if the products they procured were from renewable resources.

Respondents showed concern for the safety of the consumers as they reported to be more cautious when the product that they are procuring contain toxic ingredient, like paints that contain lead.

There seems to be no conversation over the supplier measuring its products' carbon footprint. Moreover, the retailer is not engaging in this conversation or setting targets.

Respondents knew very little about packaging per se and believed that where the recycle logo was on the packaging of products, it would be satisfactory. The participant-observation was made, that no discussion was had regarding the recyclables of different kinds of plastics as some are environmentally preferable to others. In fact, different types of packaging material, design or labelling was only discussed in general with the specifics being unknown.

Green-communications role, as observed in the interview, was to inform and sell green-products. A second benefit was seen as it positioned the retailer with social concern and commitment. A greater emphasis was placed on internal communication, with the results emphasising an integrated green-communication approach. No new communication tools were suggested.

The depth and differences of research results emerged because of the diversity of product procured across the two embedded analyse.

CHAPTER 6: INTERPRETATION OF THE RESEARCH RESULTS

6.1. INTRODUCTION

This chapter of the report has analysed and discussed the results from chapter 5 in terms of the research objective that the study set out to achieve, as defined in chapter 1. In order to do so effectively, reference has been made to the research questions developed in chapter 3. The chain of evidence within this study can be referred to in appendix C, titled the consistency matrix.

6.2. EVALUATION OF THE FINDINGS

As mentioned in the introduction, the findings were evaluated by means of addressing the study's original research objective.

6.2.1. RESEARCH OBJECTIVE

- ***Assessing whether green-marketing could offer retailers a sustainable advantage within SA.***

The research objective was to acquire sufficient data to determine whether retailers within SA could create a sustainable competitive advantage through green-marketing. In order to facilitate such an investigation, a set of research questions were developed from the literature reviewed for each of the positioning elements presented in chapter 3. These research questions related to specific questions posed to the respondents, as illustrated in the discussion guide (see appendix D).

6.2.2. RESEARCH QUESTION 1

➤ SUSTAINABLE COMPETITIVE ADVANTAGE

Research question 1 found in the discussion guide, (see appendix D), relates to the sustainable competitive advantage research question.

Considering the results from table 1, what emerged from the study is that all respondents felt that green-marketing would be a requirement for retailers in the future. As reported, eighty percent of the respondents are positive that green-marketing could lead to a short-term competitive advantage based on the market entry strategy being either first-mover, or fast-follower. Whilst only twenty percent believed that the costs of green-marketing would be too high and the demand too low, with the outcome of no short-term competitive advantage for retailers within SA.

For a clearer interpretation of the research results, sustainable competitive advantage has been separated into two time frames, namely short-term and long-term. An interpretation of the research results was that green-marketing could offer a short-term competitive advantage for retailers, but that it may not be sustainable as it only differentiates the retailer potentially in the short-term. The retailer who enters the market first, may capitalise on a first-mover short term advantage (Hill and Jones, 2004). The favourable market entry strategy as per the literature reviewed was fast-follower as the cost was perceived as being less with the same positioning benefit for the retailer.

An added advantage of implementing a green-marketing strategy in the short-term is that supplier relationships are built at an early stage before the competitors. An interpretation is that the supplier relationships that the retailer managed to build in the initial stages of green-marketing may be the basis for advantage with regard to new green-products being available to the retailer first, as well as the retailer having already established a supply

chain ahead of its competitors, which may influence the retailers competitive advantage in the long-term.

Retailers choosing not pursue a green-marketing strategy in the short term will not obtain a competitive advantage through green-marketing positioning differentiation. If green-marketing becomes a requirement for business to operate in the future, as evidenced in the research findings, the retailers who do not pursue a green-marketing strategy will be at a disadvantage as the retailer will be ill fitted to their market structure of customers and suppliers.

It is therefore the view of the respondents that green-marketing could create a sustainable competitive advantage for retailers within SA (see table 1).

6.2.3. RESEARCH QUESTION 2

➤ GREEN-PROCUREMENT

Research question 2 found in the discussion guide, (see appendix D), relates to the green-procurement research question.

Research question 2: *Do retailers within SA ensure sustainable green-procurement in practice?*

Respondents exposed that as retailers they do not engage in green-procurement because of their lack of knowledge and that it is not within the retailers procuring policy.

This was confirmed by a candidate's statement:

"I should focus more on green-procurement, but it takes more time and effort which is scarce, so I bank the green Rand instead. However, if part of my performance measurement was to procure a certain amount of green-product, then I would!"

What emerged from the interviews is that one hundred percent of the respondents felt that green-marketing would be a requirement for retailers in the future, as such so would green-procurement.

Retailer-supplier relationships are based on trust and a superficial level of benchmarking product quality and price negotiation. The interpretation of the results indicated that the retailer should continuously challenge its suppliers with green-marketing questions of compliance, as the reality of what is acceptable will constantly shift with the changing customer's perceptions and demands. Respondents believed that they needed more understanding of green-products so that they could improve their green-procurement decisions, therefore not relying as much on the suppliers. Furthermore a green-product could be included in the procurement policy of the retailer.

SA retailers should attempt to anticipate change by following global trends and then together with their suppliers, proactively redesign its products to match consumer needs thereby increasing its probability of success through first-mover or fast-follower market entry strategy.

However, successful value creation can be achieved when the retailer understands what really constitutes consumer value and how organisational resources are to be aligned in order to deliver benefits to unique customer segments with homogenous definitions of value (De Bonis, Balinski & Allen, 2002). As interpreted, a retailer requires a supporting culture of green-marketing, in order for green-procurement to be implemented as part of a green-marketing strategy.

In conclusion, retailers within SA currently do not ensure sustainable green-procurement practices (see table 2).

6.2.4. RESEARCH QUESTION 3

➤ GREEN-PACKAGING

Research question 3 found in the discussion guide, (see appendix D), relates to the green-procurement research question.

Research question 3: *How do retailers within SA make sustainable packaging decisions?*

Taking into consideration the results from table 3, it is evident that retailers are willing for their products to be packaged as per the guideline of green-packaging. An interpretation of the results are that retailers would not necessarily initiate the move from traditional packaging to green-packaging as findings suggest that retailers are not equipped in making packaging decisions, including green-design and green-labelling. As revealed in the study, retailers only consider the aesthetics and cost to product of the packaging decision due to their lack of knowledge in packaging criteria.

A concluding interpretation is that retailers do not make sustainable packaging decisions on the basis of their lack of packaging expertise and 'green' knowledge, as well as their perceived risk of green-packaging possibly reducing their financial performance through increased product damages, shrinkage, and non-appealing packaging. However, if green-packaging did not pose a risk to the retailers 'bottom line' from a loss of sales, or increase in cost, damages or from shrinkage perspective, then they would readily pursue green-packaging. Labatt (1997,p.115) supported these findings when he states "Manufacturer's and retailers alike are sensitive to consumer acceptance of changed products and packaging and are aware of consumer demand for the safety, convenience and labelling that packaged goods must meet".

A suggestion based on the interpretation is that packaging should be outsourced to a packaging expert by the retailer so that the retailer is

confident with the green-packaging alternatives that meet the retailers requirements. The literature reviewed supported the latter suggestion whereby the designers of product and packaging have a huge responsibility to ensure that their designs have a sustainable impact on the environment and furthermore that they advise the customers, be it manufacturers or brand managers of their alternative packaging option, (Witepski, 2007).

Sixty percent of the respondents believed that a green-logo would assist in green-product identification from a retailer green-procuring and consumer's perspective. It was however noted that the green-logo should be managed by an external, credible authority. Forty percent of the respondents did not want a green-logo, as they felt it would hold no credibility as they associate the "Proudly South African" logo to hold no credibility. There was one hundred percent agreement that all packaging should be recyclable, with a recyclable-logo on the packaging. It is the opinion of the researcher that a green-logo should be governed by an international body, as many products are imported and exported across the globe. This is supported by global warming and natural resource depletion being global concerns as opposed to country specific problems.

One of the respondents stated; *"packaging is made to protect the product, one expects the outer packaging to hold the product, therefore the opportunity is to consider the other element which does not risk our sales. For example the pallet design does not need to be made from wood, to carry the product in fear of breakages, because we are just duplicating. Another example of duplication is when we shrink-wrap the outer boxes – yes, do it once, to protect, but a gazillion times just adds cost to the retailer and the environment!"*

In conclusion, retailers within SA currently do not make sustainable packaging decisions (see table 3).

6.2.5. RESEARCH QUESTION 4

➤ GREEN-PRICING

Research question 4 found in the discussion guide, (see appendix D), relates to the green-procurement research question.

Research question 4: *Are retailers prepared to consider total cost (environment and social), as opposed to just their cost to purchase and related mark-up?*

Retailers will not absorb the green-product cost, as they believe that their influencing power is not strong enough within the market. As such they cannot change the consumers demand for more green-products or reduce the cost of green-products, without risking their current profitability.

One could conclude that retailers in SA concentrate on final cost excluding social and environmental concerns. The findings thus support the literature of Peattie (p.278, 1995) “while consumption continues to expand, taking advantage of prices which do not reflect the environmental costs of products, the environment will continue to be unsustainably consumed”.

Profit is important for retailers and they will not trade their profit for a green-marketing strategy if it is not profitable. This defeats their purpose in business.

As one respondent states “*Retailers are not going to trade green South African money, for a nice green-marketing feeling*”.

An interpretation of the research results was that retailers would continue to act according to their retail mandate, and when green-marketing poses more of a financial advantage, such as when consumer demand increase for green-product, the retailer would extend their green-product ranges to capitalise on the opportunity presented. The results indicated that until

green-product is commoditised, retailers will always treat it as a small part of their product portfolio in order to achieve their internal targets of profit creation.

Green-products are currently positioned in a niche market, thus having the attributes of high prices, high margins and low sales volumes. Thus the economic approaches to pricing is recorded from reality in this study, and matches the literature which emphasises the role of supply and demand, and the relationship between costs and price in determining profit (Peattie, p.278, 1995).

Considering the results from table 4, it is clear that all respondents believed that green-pricing is high, thus positioned as a niche product offering. In order for green-marketing to attract a higher demand, it needs to appeal to a mass market, which is predominantly done through price. As such green-products pricing need to reduce to be comparable to traditional products, at the very least, and at this stage retailers will be able to increase green-product procurement as the product will be demanded by more of their market.

In conclusion, retailers within SA are not prepared to consider total cost from the perspective of making less of a profit when they sell green-product as opposed to traditional products. Retailers are however prepared to consider the total cost, from the perspective of making adjustments to packaging and increase communication to increase the awareness of green-product. In that way they will support green-marketing, at no risk to their profit (see table 4).

6.2.6. RESEARCH QUESTION 5

➤ GREEN-COMMUNICATION

Research question 5 found in the discussion guide, (see appendix D), relates to the green-procurement research question.

Research question 5: *What should the green-communication purpose be?*

An interpretation of the findings revealed that all respondents agreed that the purpose of green-communication should firstly be to create awareness that the retailer sells green-product and secondly to give the consumers enough information so that they can make a purchasing decision not only based on price between the purchasing of traditional versus green-product.

Taking into consideration the results from table 5, it is evident that retailers' approach towards green-communication should consist of multiple communication tools, thus creating an integrated green-communication strategy, which is similar to that of traditional product advertising.

An interesting finding is that the respondents believed that the challenge of green-communication is to meet its objectives being to create awareness and be informative, on the foundation of the message being perceived as credible, which the product then delivers on. The difficulty is that green-products are relative, and their credibility lies in the consumers mind.

An analysis of the research results is that the communication message needs to be very simple and succinct so that it is able to break through the clutter in the communication space when it creates awareness and is informative. For this to be possible, the message needs to be directed towards customers needs firstly and secondly to the benefit of the environment, so that the green-message delivers on the green-products promise and is thus perceived as being credible. An example may be that

the consumer saves ten percent on their electricity bill, once they have installed energy saving globes.

An interpretation of the results is that the use of green-communication is only performed at a very basic level. There are notable deficiencies in terms of retailers understanding of green-communication, as well as their ability to transform the understanding of green-product into green-communication so that the consumer can be informed about the benefits of purchasing and using green-products. The results highlighted the importance of green-communication being perceived by the consumer as credible, creating awareness and being informative. Furthermore, the approach to green-communication emerged from the research to be an integrated medium approach with the focus on the green-message being consistent (see table 5).

In conclusion, green-communication as identified above has a very important objective to deliver on, in order for green-marketing to create a sustainable advantage for retailers within SA. The purpose of green-communication should be to create awareness, and inform the various target markets through an integrated green-communication strategy.

6.3. SUMMARY

The findings suggest that green-marketing could create a sustainable competitive advantage for retailers within SA.

An interpretation of the essence of why retailers are not currently pursuing a green-marketing strategy is that South Africans (suppliers, customers, retailers) lack 'green' knowledge and thus the low drive towards 'green' notwithstanding the other social dilemmas within the country.

As such, one hundred percent of the respondents believed that marketing in terms of procurement, packaging, pricing and communications of the right product at the right price for the target market would take precedence over green-marketing initiatives at this stage because the retailers are not actively pursuing a green-marketing strategy, and it is interpreted that the market itself, is not demanding such a strategy.

Findings reveal that currently SA retailers do not ensure sustainable green-procurement practices because there is a lack of retail policy and knowledge around 'green' and as such they were not acting in the interest of green-marketing.

What became apparent from the findings was that the approach towards green-marketing could be pragmatic, where some effort is preferable to none and with this attitude, the process will be slow. The communication message was interpreted to have the objective of creating awareness for 'green' and information about 'green' as well as specific green-products.

It was construed that retailers would like pursue green-marketing, but in so doing not alter their current way of doing business. As such, green-products will be procured, packaged, priced, and communicated in much the same way as traditional product.

CHAPTER 7: **CONCLUSION, RECOMMENDATIONS & FURTHER RESEARCH** **SUGGESTIONS**

7.1. INTRODUCTION

This report started by observing that green-marketing is in a process of transition across the globe within the retail sector. While this study confirmed much of the literature reviewed about green-marketing, it has also revealed specific categories that challenge some of the previously held assumptions within the literature reviewed. Thereby it has provided new insights into the reality of green-marketing for retailers within SA.

7.2. CONCLUSION

Retailers recognise the growing importance of green-marketing. A recognition that perhaps reflects the expectations of many stakeholders that retailers need to strike an appropriate balance between profits and social responsibility.

Retailers identify with the opportunity that changing global consumer spend trend is towards green-products. The respondents believe that their market is becoming ever aware of green-product but that there is still a lack of awareness, perceived high price, and therefore lack of demand. Furthermore, SA retailers experience difficulty in finding and delivering on green-marketing because of its complexity and the country's social concerns identified in section 1.3, being crime and social inequalities for example.

South African businesses, consumers and institutions need time to develop and adopt production and consumption patterns towards green-marketing. Green-marketing is a continuous process where regular assessment such

as feedback from suppliers (what is possible), legislation (what is required), and the customer (what they want), is necessary to ensure that the retailers green-marketing strategy is aligned to the retailers target market, so that it can deliver on a sustainable competitive advantage.

Strategies and policies need to be developed and implemented so that they guide and assist suppliers, retailers and customers towards 'green' change.

Respondents thought that green-marketing would become a market requirement of retailers in order for them to be sustainable. The opportunity exists for retailers to align themselves to green-marketing, and then act as a fast-follower in order to gain an advantage, through differentiating their product offering in the short-term. However, a green-marketing strategy is interrelated to many social-economic drivers, and thus would take time, investment and innovation, to deliver a sustainable competitive advantage.

Furthermore, a retailer that chooses to pursue a green-marketing strategy could obtain a competitive advantage only in the short-term. It is predicted from the respondents that the market will catch-up and then all retailers will offer green-product alternatives to remain sustainable in the long-term when green-marketing becomes the norm as opposed to differentiating the retailer. However, should the retailer have built and established strong supplier-relationships in the short-term, their chances of procuring new and innovative green-products first is higher than their competitors, and thus differentiating the retailer as innovative, which could lead to a competitive advantage.

Respondents reported that the risk was seated in entering the market too soon, as the cost to lead may outweigh the short-term advantage and therefore retailers should rather pursue a fast-follower entrance strategy.

In conclusion, creating and implementing a green-marketing strategy is not straightforward because it is not only complex, but also a relative concept

that varies over time. Nonetheless is important to be pursued for the reported reasons.

7.3. RECOMMENDATIONS

It is suggested that green-marketing will offer a sustainable competitive advantage and as such will attract retailers to pursue green-marketing.

Entrance into the market is recommended through a fast-follower entrance strategy whereby the retailer acts as an imitator of the first-entrant retailer. It is suggested that the retailer focuses their green-marketing efforts to reduce their risk associated with increased costs. The reason for the risk is that 'green' is not only complex and poorly understood in the SA context, but the time frame of the markets acceptance is unknown and therefore the strategy contains risk of increased cost, and the financial benefit to the retailer is delayed.

It is recommended that the retailer focuses green-product procurement into selected product areas where customer demand exists and it aligns to their core positioning. As such, it will guard against retailers procuring any green-product that suppliers offer them as opposed to selecting green-product.

The findings of this study have been illustrated in figure 3, followed by an explanation of the stages of green-marketing for a retailer, as per the study. Figure 3, created from research results and intuitive thinking in the analysis of those results, assisted in the development of the recommended retail progressive model below:

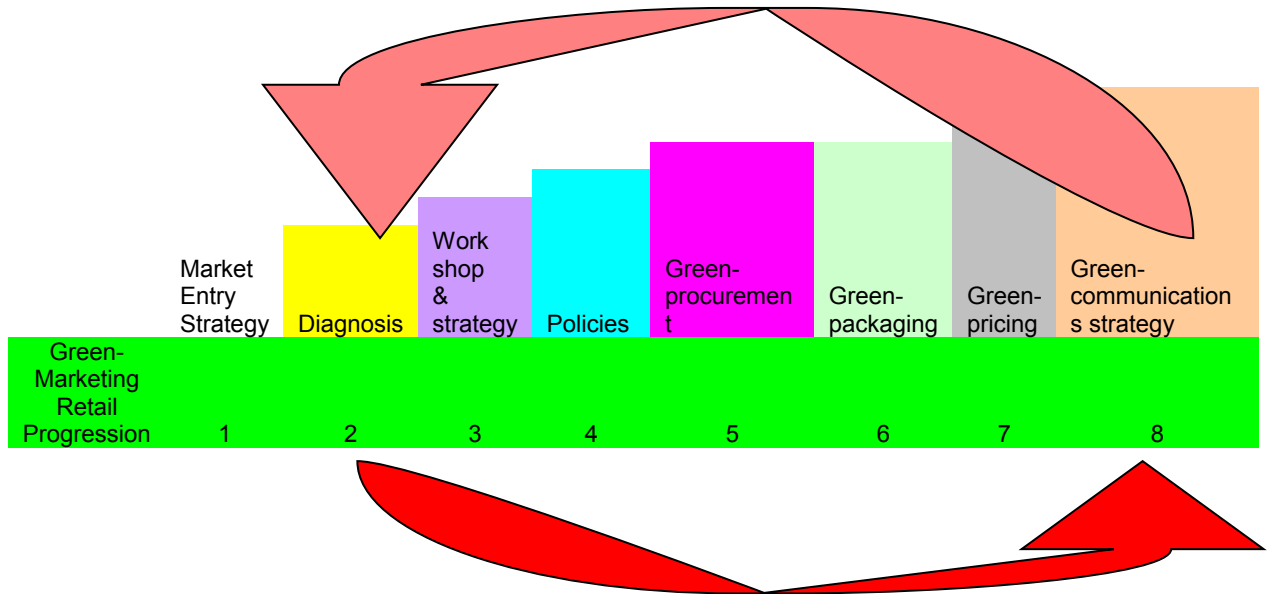


Figure 3 Stages of green-marketing for a retailer

7.3.1. STAGES OF GREEN-MARKETING FOR A RETAILER

What emerged from the study is that retailers could achieve a sustainable competitive advantage through green-marketing. Furthermore retailers within SA are not pursuing green-marketing. As such, a model (see figure 3) was created to visually depict the research results and intuitive thinking of this study. This model adds to the knowledgeable source of data that could be used for the purpose of this objective, and the basis for further research with the understanding that these results can not be generalised.

➤ Stage 1: Market Entry Strategy

What emerged from the study is that retailers need to choose to enter the market and implement a green-marketing strategy. It is recommended that a fast-follower strategy is implemented for reasons identified in the literature (section 2.3.1). The market entry stage is not repeated as indicated on the illustration, figure 3 above.

Stage 1's outcome is that the retailer chooses a market entry strategy.

➤ **Stage 2 : Diagnosis**

The study indicates that further research is needed to identify the specific green-product opportunities and risks aligned to the specific retailers market. Following which, it is recommended that findings are placed into context of the specific retailers, so that a priority list of tasks can be created. A green-product opportunity could for example be the power-outages the country is experiencing, matched to the solution the retailer could procure and sell, being energy-saving products. An identified risk may be that society as represented by NGO's are bringing the publics attention to retailers that stock hazardous products which may lead to a priority list including an audit of what hazardous products the retailer procures.

Stage 2's outcome is a understanding of the market and the retailer in the form of a priority list specific to the retailer.

➤ **Stage 3: Workshop & Strategy**

It is suggested that the retailer's senior management meet with researchers and prioritise the risks and opportunities identified, so that a green-marketing strategy can be written for the specific retailer within set time frames. Thereafter the priority lists can be used as a base for stage 4, whereby policies are drawn up to support the green-marketing strategy which will guide the retailer towards a sustainable competitive advantage.

Stage 3's outcome is a green-marketing strategy specific to the retailer.

➤ **Stage 4: Policies**

The green-marketing strategy is to be supported by specific green-marketing policies. The policies are to guide and hold the retailer accountable for the implementation of green-marketing strategy. It is suggested that green-policies are flexible due to the dynamic nature of 'green'.

Policies should be written for procurement, packaging, pricing and communication in the context of green-marketing.

Stage 4's outcome is a policy relating to each element of positioning in the context of green-marketing.

➤ **Stage 5: Green-procurement**

Green-procurement will be guided from the output of stage 3 and 4 above.

A recommendation is that retailers move towards procuring green-products as a part of their product choices for their current consumers. For green-procurement to be reality in retail, it is suggested that green-procurement policies and targets would need to be set for each division. Furthermore, the offering of advice around green-product development and trends, to the retailer so that they are not so dependent on the suppliers. The priority list from the workshop, together with relevant 'green' information is to be given to assist the retailer when they procure green-product in accordance with the workshop findings. Furthermore, buyers could be given a check list, in order to benchmark suppliers and this too should be updated as technology evolves. Green-procurement should become a part of buyer's key performance indicators, so that they are measured on it. Green-procurement policies and targets would need to be set for each division.

In the introductory phase of green-marketing, two types of green-product offerings are recommended. Firstly, green-products that saves the consumer money because the products are more efficient, for example: use less electricity/water than the traditional products and as such, they deliver on their promise, and build credibility for green-products, an example is energy saving globes. The second type of green-product is innovative and differentiates the retailer as a leader who is innovative because they are first to market. The above two classes of green-product still rely on the suppliers' expertise, and thus the cost of the supplier. A final suggestion is that the retailer does not start with its private brands because it will cost them more

money, as they will have to hire expertise, instead of leveraging off the suppliers strengths.

Stage 5's outcome is a policy relating to green-procurement holistically for the retailer, as well as specifically per product category.

➤ **Stage 6: Green-packaging**

All products (traditional and 'green') that a retailer procures, is suggested to be packaged in recyclable packaging, identifiable by the recycle logo. Thereafter, it is suggested that all new products that require packaging should be the focus of packaging specialists, thus providing 'greener' ways of packaging through recommending packaging design and material alternatives that will reduce the environmental impact, as well as meeting the retailers criteria of form and functionality. It is recommended that a packaging specialist audits the retailer and advises change of packaging for product already on shelf, as this will assist suppliers changing to green-packaging as well as communicating the importance of 'green' to the suppliers.

Stage 6's outcome is a policy relating to green-packaging whereby the packaging of all products is recyclable as a minimum requirement.

➤ **Stage 7: Green-pricing**

The green-pricing target should be to move green-product from a niche marketing position, to one of mass marketing. In this manner green-product becomes a commodity and in so doing, increases demand, due to price accessibility. This stage is possibly the hardest to implement due to the affect of supply and demand theory, taking into account the current levels of demand.

A suggestion is that the retailer selects a few key green-products and procures them in high volume, thus reducing the unit price of each item. The

retailer then takes the risk of selling the green-products, with the support of green-communication. The benefit is that as green-product awareness grows, it may position the retailer as either pursuing a green-marketing strategy, or being well priced – both are beneficial. If the retailer performs this suggested plan for a selection of green-product the market may begin to demand more green-product which will start the drive toward increased demand further increased supply resulting thus resulting in lower prices.

Stage 7's outcome is a policy relating to green-pricing whereby a retailer strives to reduce the price of green-procurement, thus product.

➤ **Stage 8: Green-communication**

It is recommended that green-communication conveys a simple message which creates awareness and provides information so that the consumer can make an informed purchase decision quickly. An integrated communication medium strategy is recommended, which is similar to traditional products. The focus is to be on in-store elements such as point-of-sale, store layout, and packaging. It is recommended that green-products are placed alongside the traditional products for ease of consumers comparison. Green-products are to be clearly identified by the point-of-sale offering information on the green-product benefits. If an international green-logo were to be created, the retailer should use it, as it will hold more credibility than a retailer's green-logo for example. However, should the retailer choose to create and use their own green-logo, it is suggested that the logo clearly communicates the saving and benefits the green-product brings to the consumer, including the emotional aspects.

Stage 8's outcome is a policy relating to green-communication whereby a retailer strives to create awareness and provide information through an integrated medium approach.

7.4. FUTURE RESEARCH SUGGESTIONS

Some of the issues raised through the research on green-marketing suggest that the following research areas may provide additional insight for retailers:

- Is the creation of 'green' culture to be determined by consumer demand, or does the responsibility lie with that of retailers within the SA market?
- Whether global green-marketing standards could assist SA retailers?
- How could credibility be associated with a green-logo?
- Could SA retailers join buying powers with international retailers and reduce the cost of green-product?
- Should a green-product tax be introduced in SA?
- What are the possible risks/returns of pursuing a first-mover green-marketing strategy for a retailer within SA?

7.5. CLOSING

The research objective was to ascertain if green-marketing could provide a sustainable competitive advantage for retailers within SA. The results of this report indicate that green-marketing will lead to a sustainable competitive advantage for retailers within SA.

The benefits of both short-term and long-term have been recorded; it remains which market entry strategy retailers choose to be of most sustainable competitive advantage for their corporate strategy.

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Appendix A Environmental Accreditations and logos

Source : http://www.admin.cam.ac.uk/offices/environment/guidance/environmental_logos.pdf

Environmental Accreditations and Logos *Published as part of the Green Procurement Guide*

<p>ISO 14001</p>	<p>ISO 14001 - A supplier operating an environmental management system may seek certification to ISO 14001. This standard specifies the requirements for an environmental management system in terms of an organisation's environmental commitment to a policy, compliance with applicable legislation and regulations and to continual improvement in its overall performance. For more information see Web site: http://www.iso14000.com</p>
	<p>EMAS (The EU Eco-Management and Audit Scheme) is a management tool for companies and other organisations to evaluate, report and improve their environmental performance. EMAS was strengthened by the integration of EN/ISO 14001 as the environmental management system required by EMAS. Organisations certified to EMAS have to publish an externally verified Environmental Report. For more information see: www.emas.org.uk</p>
	<p>PEFC (Programme for the Endorsement of Forest Certification schemes) is an independent organisation whose label certifies wood has been independently audited as coming from sustainably managed forests. For more information see Web site: www.pefc.org</p>
	<p>The Forest Stewardship Council evaluates, accredits and monitors certification organisations which inspect forest operations and grant labels certifying that timber has been produced from well managed forests. Once certified, timber and timber-based products originating from that forest or woodland are eligible to carry the FSC Trademark. For additional information, check out their Web site: http://www.fsc-uk.demon.co.uk/index.html</p>
	<p>The Nordic Swan - The Swan logo demonstrates that a product is a good environmental choice. The green symbol is available for around 60 product groups for which it is felt that ecolabelling is needed and will be beneficial. These days, everything from washing-up liquid to furniture and hotels can carry the Swan label. For more information on the Nordic Swan go to - http://www.svanen.nu/Eng.com</p>
	<p>The Rainforest Alliance works with foresters, farmers and tour operators to ensure that their goods and services are environmentally and socially responsible. For additional information, check out their Web site: www.rainforest-alliance.org</p>

Appendix B Case Study Protocol: Green-marketing

Source : Adapted from Yin (2003, p.68), protocol for conducting case studies.

According to Yin (2003, p.77) “ The extent to which the basic outline of the case study report should be part of the protocol will facilitate the collection of relevant data, in the appropriate format and will reduce the possibility that a return visit to the case study site will be necessary”.

This report will be submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration, on the 14 November 2007.

A Introduction to the case study

1. Identify the research objective
2. Identify the research questions, emerged from the literature reviewed
3. Draw up the consistency matrix, revealing the case study constructs (see appendix C)

B Data collection procedures within the study

4. Select potential interviewees and draw up an interview schedule (see appendix E)
5. Draw up the discussion guide, and use it during all interviews to guide the discussion guide (see appendix D)
6. One week prior to the interviews, the discussion guide goes through pre-tested with a person of the same qualifying criteria as the sample group to ensure that it was relevant, understandable and would draw out meaningful information. May it be noted that the pre-test interviewee’s responses were not included in the study.
7. Invite potential interviewees by sending out an electronic mail followed with a telephone call if the meeting request has not accepted within three days of it being sent. (Note that Massmart has an intranet, so all interviewee

contact details are readily available to the researcher, and the researcher knows the interviewees due to past and present employment)

8. Manually record the interview and observations and then validate them during the interview by repeating the conclusion back to the interviewee for confirmation.
9. Directly after the interviewer the participant-observations had within the interview are to be elaborated and reflected on
10. Electronically send a copy of the findings to the respondents, giving them an opportunity of five days to respond in.
11. Thank the respondent in person for their participation.

C Data Collection Source

12. Twenty four senior retail managers collectively, from the two embedded units of analysis (see interviewee schedule, appendix E)
13. Interviews location being the respondent's office face-to-face and held for approximately forty five minutes each.

E Evaluation

14. Maintain the chain of evidence, to increase the reliability of the information in this case study by:
 - Making sufficient citation to the relevant portions of the case study.
 - Capturing actual evidence of the interviews and revealing the context of the evidence
 - Checking the consistency matrix to ensure that there is clear cross-referencing to methodological procedures and to the resulting evidence

Appendix C Consistency Matrix: Chain of evidence

Source: Researcher created it from this study

Literature Review Chapter 2	Category	Research Questions Chapter 3	Data Collection Tool Chapter 4	Analysis Chapter 5
Kassaye, 2001; McDaniel and Rylander, 1993; Pujari and Wright, 1996; Simms, 1992	Sustainable Competitive advantage	Could green-marketing offer a sustainable competitive advantage for retailers within SA?	Discussion Guide Question 1	Content analysis: Open ended question to understand the mindset of the retailer with regard to green-marketing being an opportunity.
Drumwright, 1994; Dobson and Waterson, 1999; Shrivastava, 1995	Green-procurement	Do retailers within SA ensure sustainable green-procurement in practice?	Discussion Guide Question 2	Content analysis: Open ended questions, to determine how procurement of green-product is different to non-green-product.
Teisl, M., Roe, B. and Levy, A., 1990	Green-packaging	How do retailers within SA make sustainable packaging decisions?	Discussion Guide Question 3	Content analysis: open ended questions, to determine the knowledge of the options of packaging available and the importance of packaging for retailers.
Johri and Sahasakmontri, 1998; Lubieniechi, 2002; Smart	Green-pricing	Are retailers repared to consider total cost (environment and social), as opposed to just their cost to purchase and related mark-up?	Discussion Guide Question 4	Content analysis: Open ended questions to determine the cost retailers consider and why.
Prothero, Peattie and McDonagh, 1997	Green-communication	What should the purpose of green-communication be for retailers within SA?	Discussion Guide Question 5	Content analysis to uncover the purpose of the marketing communication effort holistically.

Appendix D Discussion Guide

This discussion guide was used in the interviews scheduled with senior management of the two selected embedded units of analysis from the case study. Note that the interview findings cannot be generalised to the retail industry, but rather used for in-depth knowledge.

The research objective was to find evidence that would address the research question of whether green-marketing could offer retailers within SA a sustainable competitive advantage.

Research Question 1

- 1.1 Do you think green-marketing could be a sustainable competitive advantage for retailers within South Africa?

Research Question 2: Green-procurement

- 2.1 What is your idea of the meaning of a green-product?
- 2.2 Are retailers able to procure green-product, as they do traditional products?
- 2.3 At the time of procurement, how do you know if a product is a green-product?
- 2.4 What are the key categories in which green-products are procured?
- 2.5 What do you think the percentage is of green-products retailers should offer within their product offering?
- 2.6 What is the role of a green-product range, for a retailer like yours?
- 2.7 Would retailers form strategic partnerships with green-product suppliers?
- 2.8 What could be entailed within a strategic partnership for a retailer like you?
- 2.9 Are green-products benchmarked?

Research Question 3: Green-packaging

- 3.1 Do retailers know the criteria of green-packaging?
- 3.2 When procuring product, can retailers influence the packaging, from a green-design and green-label perspective?
- 3.3 Is green-packaging cheaper?
- 3.4 As a retailer, would you sell product with less packaging?
- 3.5 Do you think green-packaging, should be marketed as a green-product?

Research Question 4: Green-pricing

- 4.1 Is the total product cost of a green-product considered?
- 4.2 Do green-products cost less or more to procure?
- 4.3 As retailer would you prefer, green-products to be niche marketed (higher margin lower volume) or mass marketed (lower margin, higher volume)

Research Question 5: Green-communication

- 5.1 Is green-marketing apart of your companies marketing strategy?
- 5.2 What would be the most effective form of green-marketing *communication* in your company?
- 5.3 Are your employees specially trained on green-product benefits?
- 5.4 What are the benefits and drawbacks of promoting green-products?

Appendix E Interview Schedule

<u>NO.</u>	<u>DATE</u>	<u>DEPARTMENT- POSITION</u>	<u>PERSON - INTERVIEWEE</u>	<u>RETAIL CHAIN</u>
PRE – TEST : Research objective & Discussion Guide 1				
1	26/07/07	CORPORATE AFFAIRS EXECUTIVE	B.Leroni	Massmart
2	27/07/07	NATIONAL BUYER	M.Mizon	Builders Warehouse
3	27/07/07	NATIONAL BUYER	J.Jackson	Makro
CASE STUDY 1 :Builders Warehouse				
1	27/08/07	MANAGING DIRECTOR; CEO DESIGNATE	A.Cimring	Builders Warehouse
2	17/09/07	MERCHANDISE EXECUTIVE	S. Jowett	
3	20/08/07	MERCHANDISE MANAGER	N. Hatfield	
4	17/09/07	MERCHANDISE MANAGER	S. Botha	
5	08/10/07	MARKETING EXECUTIVE	J. Pieterse	
6	13/08/07	FINANCIAL EXECUTIVE	H. Middleton	
7	14/09/07	NATIONAL BUYER	C.Kay	
8	21/08/07	NATIONAL BUYER	S.Horn	
9	10/08/07	NATIONAL BUYER	S.Nelson	
10	19/08/07	NATIONAL BUYER	G.Jardine	
11	24/08/07	NATIONAL BUYER	H. Botha	
12	06/08/07	NATIONAL BUYER	C.Breytenbach	
CASE STUDY 2: MAKRO				
1	17/08/07	FOOD EXECUTIVE	B.Cayzer	Makro
2	08/10/07	MERCHANDISE EXECUTIVE	D. Kalan	
3	13/08/07	MERCHANDISE MANAGER	G.Barber	
4	11/09/07	MERCHANDISE MANAGER	R. Reid	
5	27/08/07	MERCHANDISE MANAGER	S.Clark	
6	11/09/07	MERCHANDISE MANAGER	A.Jackson	
7	28/08/07	MARKETING EXECUTIVE	C.Nezar	
8	27/08/07	FINANCIAL EXECUTIVE	D.Jones	
9	10/08/07	NATIONAL BUYER	K.Innes	
10	06/08/07	NATIONAL BUYER	B.Brophy	
11	24/08/07	NATIONAL BUYER	A. Sathiasilen	
12	21/08/07	NATIONAL BUYER	T.Mynhard	

Appendix F Research validity & reliability check

Respondents were requested to participate in this research study, by means of an electronic meeting request, and a follow up telephone call. Once the study was complete, the researcher gave each participant a one-page summary of the results, with the opportunity to read over the research and revert within five days. Hereunder is proof by signature that the interview did take place and that the respondent received the summary of the findings with the invitation to revert to the researcher within one week of receiving it, if they so chose to.

NO.	Respondents Signature	DEPARTMENT- POSITION	PERSON - INTERVIEWEE	RETAIL CHAIN
PRE – TEST : Research objective & Discussion Guide 1				
1		CORPORATE AFFAIRS EXECUTIVE	B.Leroni	Massmart
2		NATIONAL BUYER	M.Mizon	Builders Warehouse
3		NATIONAL BUYER	J.Jackson	Makro
CASE STUDY 1 :Builders Warehouse				
1		MANAGING DIRECTOR; CEO DESIGNATE	A.Cimring	Builders Warehouse
2		MERCHANDISE EXECUTIVE	S. Jowett	
3		MERCHANDISE MANAGER	N. Hatfield	
4		MERCHANDISE MANAGER	S. Botha	
5		MARKETING EXECUTIVE	J. Pieterse	
6		FINANCIAL EXECUTIVE	H. Middleton	
7		NATIONAL BUYER	C. Kay	
8		NATIONAL BUYER	S. Horn	
9		NATIONAL BUYER	S. Nelson	
10		NATIONAL BUYER	G. Jardine	
11		NATIONAL BUYER	H. Botha	
12		NATIONAL BUYER	C. Breytenbach	
CASE STUDY 2: MAKRO				
1		FOOD EXECUTIVE	B. Cayzer	Makro
2		MERCHANDISE EXECUTIVE	D. Kalan	
3		MERCHANDISE MANAGER	G. Barber	
4		MERCHANDISE MANAGER	R. Reid	
5		MERCHANDISE MANAGER	S. Clark	
6		MERCHANDISE MANAGER	A. Jackson	
7		MARKETING EXECUTIVE	C. Nezar	
8		FINANCIAL EXECUTIVE	D. Jones	
9		NATIONAL BUYER	K. Innes	
10		NATIONAL BUYER	B. Brophy	
11		NATIONAL BUYER	A. Sathiasilen	
12		NATIONAL BUYER	T. Mynhard	