

GREEN PROCUREMENT AND MARKETING SUSTAINABILITY OF FIRMS: A CONCEPTUAL REVIEW

ONIFADE Dotun B.

Department of Marketing, Faculty of Administration and Management,
Rivers State University Nkpolu- Oroworukwo, Port Harcourt, Nigeria.
dotunonifade@yahoo.com

Abstract

This study explored the relationship between green procurement and marketing sustainability. Green procurement served as predictor to marketing sustainability, represented by product stewardship, resource usage and cost minimization. The study relied on literature review to achieve its objective. The views of scholars on the meaning of green procurement and marketing sustainability was synthesized, and their reports and argument on the influence of green procurement on marketing sustainability was converged. In the end, the study deduced that a connection exists between green procurement and marketing sustainability. Thus, the study concluded that green procurement is an imperative to marketing sustainability; and that product stewardship, resource usage and cost minimization as indicators of marketing sustainability are driven by green procurement.

Keywords: Competitive advantage, cost minimization, green procurement, marketing sustainability, product stewardship, resource usage

Introduction

Environmental changes and the quest to mitigate their unfavorable effects have necessitated new legal regulations and business practices. The rapid depletion of resources resulting from man's excesses which today hunts mankind, and the physical environment, businesses and governments have become more focused on environmental sustainability than ever before (Walker & Brammer, 2023).

There are calls by governments and non-governmental actors across the globe for immediate remedial action from all stakeholders to put a stop to excessive use of natural resources, and to instead contribute to resource conservation and mitigation of negative environmental impact (Govindan et al., 2016). In response to these calls, both governments, scholars and practitioners all over the world are making efforts to introduce environmentally friendly practices aimed at conserving natural resources and promoting a sustainable environment.

Green procurement is a key aspect of environmental sustainability and resource stewardship. It involves the acquisition of goods and services that are environmentally friendly and reduces the negative impacts of production, use and disposal (Balin & Sari, 2023). According to Sari (2017), green procurement can reduce environmental pollution; conserve natural resources, reduce energy and water use, reduce waste and reduce environmental costs of production, transportation, and disposal.

Green procurement considers environmental and social responsibility in purchasing process (Walker & Brammer, 2023). Environmentally conscious purchasing initiatives include the procurement of products that meet environmental objectives such as reduced wastage, recycling, reuse, and substitution of materials (Yee et al., 2021). Ottman (2022) Miller and Davis (2023) and Likhola and Senelwa (2022) describe green procurement as part of the philosophy of the Hippocratic Oath: "First, do no harm" to the environment.

The understanding behind green procurement is that human health and environment go hand-in-hand. Improvement in one entail improvement in the other (Likhola & Senelwa, 2022). Buying green is not only about reducing environmental damage, but also about improving human health. Green procurement is less toxic, minimally polluting, more energy efficient, safer and healthier, easier to repair, easier to recycle, incorporates less packaging and is more durable (Balin & Sari, 2023).

Although scholars argue for a nexus between green procurement and marketing sustainability (Hsu & Wang, 2015), there is a dearth of studies confirming that the relationship. Thus, this study focused on exploring the concept of green procurement and its link to marketing sustainability. The study is conceptualized in fig. 1.

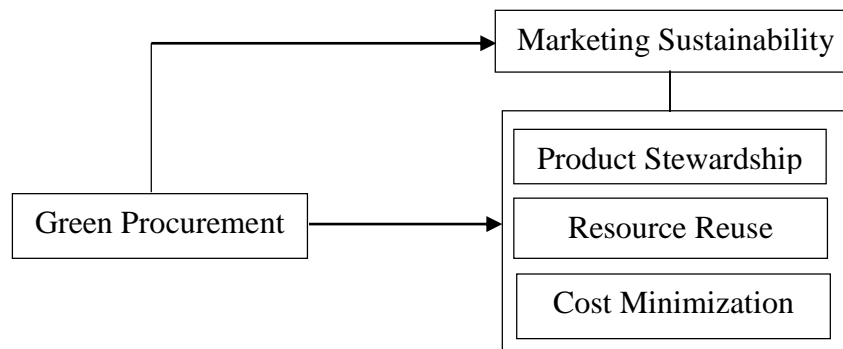


Fig. 1: Conceptual framework of green procurement and marketing sustainability

Theoretical Foundation

This study is founded on stakeholder theory (Freeman, 1980), which posits that firms should consider the interests of all stakeholders, not merely shareholders, when making decisions (Freeman, 1984). The theory challenge the traditional shareholder-centric model that prioritizes profit maximization above other concerns.

Freeman (1984) advocated a broader perspective, arguing that businesses should take into account, the interests and well-being of all stakeholders, including shareholder, employees, customers, suppliers, and the community. Implementing stakeholder theory in practice involves a shift from a purely financial focus to a more holistic approach that considers the welfare of all affected parties.

Studies have shown that firms with strong stakeholder engagement experience improved financial performance and greater sustainability (Carter et al., 2023). By aligning procurement strategies with stakeholder expectations, companies can build stronger relationships and reduce potential conflicts (Harri & Lee, 2023). Applying stakeholder theory to the relationship between green procurement and marketing sustainability involves analyzing how different stakeholders influence and are influenced by green procurement practices.

Concept of Green Procurement

Green procurement is used synonymously with environmentally responsible procurement, sustainable procurement and eco-procurement (Harri & Lee, 2023). It is a strategic approach to procurement that emphasizes the selection of goods and services with minimal environmental impact throughout their life cycle. Walker and Brammer (2023) define green procurement as the

process of acquiring products in a manner that reduce negative environmental impact associated with their production, use, and disposal.

Hence, green procurement involve evaluating and choosing suppliers based on their environmental performance and the sustainability of their products. It asks questions such as, “is it made from recyclable materials?” or, “does the manufacturer have a diversity programme for hiring?” “What are the complications when considering environmental aspects in procurement?

By selecting products with lower carbon footprints, reduced energy consumption, and minimal waste generation, organizations and individuals contribute to mitigating climate change, conserving natural resources, and protecting biodiversity (Walker & Brammer, 2023). Adopting waste reduction practices help companies comply with environmental regulations and standards; and this mitigate legal risks and enhance corporate reputation (Ottman, 2022).

Marketing Sustainability

Marketing sustainability as a concept integrate principles of sustainable development into marketing strategies, aiming to align business objectives with broader sustainability goals (Kotler & Keller, 2016). Marketing sustainability refers to the integration of sustainable practices into all aspects of marketing processes, including strategies, operations and impacts of marketing activities themselves. It focuses on ensuring that the marketing function contributes positively to overall sustainability goals (Peattie & Crane, 2020).

Marketing sustainability addresses the sustainability of marketing processes and operations, including reducing waste, minimizing resource use, and employing ethical practices throughout the marketing process. It involves embedding sustainability principles into the core of marketing strategies, ensuring that all marketing decisions align with broader sustainability objectives (Smith & Shaw, 2021).

Marketing sustainability can be conceived in different ways, including product stewardship, operational excellence, customer intimacy and product leadership. In this study however, we used product stewardship, resource usage and cost minimization to represent marketing sustainability.

Product stewardship

Product stewardship refers to the responsibility of all stakeholders involved in the life cycle of a product (manufacturers, distributors, consumers, and waste managers) to minimize its environmental impact. This comprehensive approach aims to ensure that products are designed, produced, used and disposed in ways that are environmentally friendly. As businesses and consumers increasingly prioritize sustainability, product stewardship has become a critical element in reducing waste and promoting resource efficiency.

Product stewardship demand a commitment from all parties in the product life cycle to reduce the environmental impact of a product through its entire lifespan, from design to disposal (Davis & Fisher, 2024). The key principles of product stewardship include incorporating environmental considerations into product design, such as using less hazardous materials and ensuring products are easier to recycle (Harrison & Turner, 2023).

Resource use

Resource use encompass the consumption and management of materials, energy, and other resources involved in marketing activities. As businesses increasingly focus on sustainability, understanding and optimizing resource use becomes crucial to minimizing environmental impact and enhancing overall efficiency. Resource use refers to the consumption of various resources such as paper, plastics, energy, and water during the execution of marketing campaigns and activities.

Resource use include everything from design and production of marketing to energy used in digital marketing operations (Lynch, 2023). Efficient use of resource in marketing operations reduce a firm's environmental footprint, lower costs, and improve brand reputation among increasingly eco-conscious consumers (Smith & Wilson, 2024). Companies that actively monitor and optimize resource use demonstrate a commitment to sustainability, and enlists consumers' trust and loyalty.

Cost minimization

Cost minimization refers to the process of reducing operational expenses to the lowest possible level while still achieving the desired level of output and maintaining quality standards. It is a fundamental principle in business management that focuses on reducing expenses and optimizing resource use to achieve efficient operations.

Cost minimization also involves analyzing various aspects of business operations, identifying where costs can be cut without sacrificing product quality and service levels (Smith & Jones, 2023). By minimizing costs, businesses enhance their profit margins, which is particularly important in fiercely competitive markets (Lee & Zhang, 2024).

Green Procurement and Marketing Sustainability

Previous empirical express convergent views on the relationship between the green procurement and marketing sustainability. For example, Balin and Sari (2023) examined impact of green purchasing practices on financial performance of companies in Türkiye. The study reveal that green purchasing practices make positive contribution to financial performance of companies.

Hlavacek et al. (2023) examined effects of environmental concerns, perceptions of climate change, trust in EU policies, and media exposition on green purchasing. The results suggest that public perception of environment protection and climate change agenda is different from policy-makers intentions; that environmental protection attitudes and climate concerns, positively predict green consumption in the EU; and that media exposition negatively impact purchase of organic food. Relatedly, Likhola and Senelwa (2022) studied effect of green procurement on performance of production sector firms in Kenya. The study revealed a statistically significant effect of green procurement on performance of the firms studied.

Augustine (2020) studied influence of green procurement practice on organizational performance of Ghana Water Company Limited and Bayport Savings and Loans Plc. The study found that green procurement is a significant determinant of organizational performance for the both companies. Similarly, Chin et al. (2020) studied impact of green purchasing practices on environmental and business performance of Malaysian production firms. The findings showed that green products, green process and green supplier have positive significantly relationship with environmental performance.

Kaikai and Mose (2020) studied influence of green procurement on performance of mining firms in Sierra Leone. The findings revealed that green purchasing contributed most to performance of mining firms. Also, Njoroge et al. (2019) assessed effect of green procurement on performance of state corporations in Kenya. The results indicated that green procurement has positive and statistically significant effect on performance of state corporations.

In addition, Bor et al. (2019) examined effect of green purchasing on performance of food and beverage processing sector in Kenya. The results showed that green purchasing has positive significant effect on performance; and concluded that that green purchasing leads to higher performance of food and beverage firms in Kenya. In other studies, Kimira et al. (2016) found a positive and statistically significant relationship between green procurement and competitiveness of Unilever Kenya; Sari and Yanginlar (2015) established that green logistics practices positively support performance of hospitals in Turkey; while Nderitua and Ngugi (2014) revealed that green procurement significantly contribute to performance excellence and Performance of production industry.

The above renditions shows that green procurement has connection with marketing sustainability. This deduction is based on the plethora of empirical evidence literature. Especially, the reports that that green purchasing practices influence financial performance (Hlavacek et al., 2023; Balin & Sari, 2023); organizational performance (Augustine, 2020; Kaikai & Mose, 2020; Njoroge et al., 2019); and environmental performance (Chin et al., 2020). The deduction is also strengthened by reports that green purchasing has positive significant effect on competitiveness (Bor et al., 2019; Kimira et al., 2016); excellence in production (Sari & Yanginlar, 2015; Nderitua & Ngugi, 2014) and business performance (Rao & Kondo, 2010).

Conclusion

This study sought to demystify the concept of green procurement and determine its importance to marketing sustainability. Through extensive review of literature, the study determined that a relationship exists between green procurement and marketing sustainability. Thus, the study concludes that green procurement has symbiotic relationship with marketing sustainability; and that green procurement is pivotal to marketing sustainability and environment remediation.

References

- Augustine, A. (2020). The influence of green procurement practice on organizational performance. Ghana Water Company Ltd. and Bayport Savings and Loans Plc as point of convergence. *Journal of Economics, Management and Trade*, 26(2), 43-63.
- Balin, A. I., & Sari, K. (2023). The effect of green purchasing practices on financial performance under the mediating role of environmental performance: Evidence from Türkiye. *Sustainability*, 15(2), 3617-3626.
- Barney, J. (2023). Resources and capabilities for competitive advantage. *Strategic Management Journal*, 41(2), 223-237.

- Bor, J. M., Ngugi, P. K., & Odhiambo, R. (2019). Effect of green purchasing on performance of food and beverage processing sector in Kenya. *European Journal of Logistics, Purchasing and Supply Chain Management*, 7(4), 25-34.
- Carter, L., Smith, J., & Robinson, P. (2023). Product stewardship and corporate responsibility. *Journal of Sustainable Business*, 45(4), 201-215.
- Chin, T. A., Malik, N. F. I. A., Tat, H. H. Sulaiman, Z., & Choon, T. L. (2020). Green purchasing practices and environmental performance. *International Journal of Supply Chain Management*, 9(1), 291-298.
- Davis, R., & Fisher, M. (2024). Understanding product stewardship: Principles and practices. *Business & Environment Journal*, 12(1), 89-104.
- Harrison, T., & Turner, J. (2023). Design for environment: Innovations and challenges. *Journal of Design Research*, 34(2), 145-159.
- Hlaváček, M., Cabelkova, I., Broz, D., Smutka, L., & Prochazka, P. (2023). Examining green purchasing. The role of environmental concerns, perceptions on climate change, preferences for EU integration, and media exposure. *Front. Environ. Sci.*, 11 (4), 113-123.
- Kaikai, S. & Mose, T. (2020). Influence of green procurement on performance of mining industry in Sierra Leone. *International Academic Journal of Procurement and Supply Chain Management*, 3(2), 83-103.
- Kimira, C. W., Getuno, P. & Kiarie, D. (2016). Effect of green procurement practices on competitiveness of manufacturing firms in Kenya: A case of Unilever Kenya Limited. *Journal of Agricultural Research*, 2(5), 9-23.
- Kotler, P., & Armstrong, G. (2023). Principles of marketing. Pearson Education.
- Kotler, P., & Keller, K. (2023). Marketing management. Pearson Education.
- Lee, J., & Zhang, T. (2024). Cost minimization strategies in competitive markets. *Business Strategy Review*, 56(1), 91-104.
- Lee, J., & Wong, M. (2024). Energy efficiency in digital marketing. *Digital Marketing Journal*, 48(1), 45-56.
- Likholo, H. S. & Senelwa, W. (2022). Effect of green procurement on performance in manufacturing sector in Del Monte Company limited, Kenya. *International Journal of Scientific and Research Publications*, 12(2), 492-505.
- Lynch, A. (2023). Resource usage and marketing: An overview. *Business & Environment*, 20(2), 87-99.
- Miller, C. & Davis, S. (2023). Energy consumption in marketing campaigns. *Energy Management Review*, 27(5), 299-310.
- Miller, C., & Davis, S. (2024). Resource efficiency and product stewardship. *Sustainability Review*, 28(3), 155-168.
- Nguyen, T., Brown, A., & Chen, H. (2024). Innovations in product design for sustainability. *Technology & Environment*, 16(2), 89-101.
- Nguyen, T., Brown, A. & Chen, H. (2024). Optimizing digital resources for sustainability. *Journal of Digital Marketing*, 29(3), 112-128.
- Ottman, J. A. (2022). The new rules of green marketing: Strategies, tools, and inspiration for sustainable branding. Routledge.
- Peattie, K. & Crane, A. (2020). Green marketing: Theory and practice. Routledge.
- Porter, M. (2024). *Competitive advantage: Creating and sustaining superior performance*. Free Press.

- Smith, H. & Jones, M. (2023). Cost minimization in business operations. *Journal of Business Economics*, 42(2), 67-82.
- Smith, H. & Wilson, R. (2024). The role of product stewardship in sustainable development. *International Journal of Sustainable Business*, 40(2), 145-160.
- Smith, N. C. & Shaw, S. (2021). Ethical marketing and social responsibility. Springer.
- Walker, H., & Brammer, S. (2023). Green procurement practices. *Journal of Purchasing & Supply Management*, 29(1), 67-80.