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Green marketing and its impact on supply chain management in industrial markets

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ABSTRACT

Green marketing and green supply chain have been drawing the attention of both academics and practitioners in the recent decade. However, no holistic framework has been developed on how to build green industrial brands and industrial corporate brands. Whether or not sustainable/green supply chains can be integrated with green industrial marketing in building greener organizations and industrial brands is still unclear. In addition, little is known on the factors on green new industrial product development or how green new industrial products are adopted by organizations. Furthermore, we know little of whether and how green supply chain enables green new industrial product development. This special issue aims at reflecting the most recent advances on green industrial marketing, green/sustainable supply chains and their interplay in green industrial branding, and to explore future research directions. The guest editors hope that the solicited papers can provide insights on the impacts of sustainable or green supply chains on marketing theory in industrial and business-to-business markets.

1. Introduction

Green branding and sustainability have attracted much attention from both the practitioners and academics from different business disciplines, such as marketing, supply chain management, and information management. Despite the increasing salience for being greener and more sustainable (due to, for example, climate change and environmental legislation), no holistic framework exists on how to build green industrial brands and industrial corporate brands. Building strong green industrial brands requires not only green marketing, but also green operations and green supply chain management. In addition, globalization and international sourcing exert extra pressure and challenges on designing and implementing a truly green and sustainable supply chain from the global perspective.

Whether or not sustainable/green supply chains can be integrated with green industrial marketing in building greener organizations and industrial brands is still unclear. For example, how industrial organizations can make use of both supply chain sustainability and green industrial marketing to create a competitive edge in the marketplace and along the supply chain network is not well formulated. From operations and supply chain side, for example, the reduction of waste (such as operations efficiency, delivery and distribution network), which is the core principle of lean operations, could be considered as a form of sustainability. Advances in information technology can also help to reduce waste (e.g. papers and energy) to a certain extent. A number of other tools such as life cycle assessment, ecodesign for cradle-to-cradle product development, etc., are available. However, they are, including lean philosophy, usually not linked to industrial marketing. This is not surprising because the aforementioned tools or techniques are more visible internally than externally. From marketing perspective, for example, although green consumers and consumption have received some attention, little is known on the factors on green B2B marketing and green organizational purchase behavior. Better understanding on how and why organizations choose green suppliers has significant implications for green B2B marketing. Green industrial branding could be an important industrial marketing effort in conveying the capability of sustainability. However, further development in this regard is needed. In addition, green industrial branding requires green industrial product development. Little is known on the factors on green new industrial product development or how green new industrial products are adopted by organizations. Specifically, we know little of whether and how green supply chain enables green new industrial product development.

In this editorial, we first review some key literatures relating to green marketing strategy, green supply chain management, and the role of technology of in green management. We then introduce the articles appearing in this special issue.

2. Green marketing strategy

Green marketing and management is a strategic issue (Siegel, 2009), not only because being green makes a firm "good", but also because being green pays (Ambec & Lanoie, 2008; Russo & Fouts, 1997). In addition, institutional and stakeholder pressures drive the adoption of green

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marketing strategy (Cronin, Smith, Gleim, Ramirez, & Martinez, 2011; Sarkis, Gonzalez-Torre, & Adenso-Diaz, 2010). Integrating environmental issues into strategic marketing process has become essential, instead of voluntary, for firms to achieve institutional legitimacy and competitive advantage (Handelman & Arnold, 1999). Green/environmental marketing strategy has garnered considerable academic attention over the last two decades. Menon and Menon (1997, p. 54) proposed that an effective green marketing strategy should be endorsed by the principles of enviropreneurial marketing, which refers to "the process for formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm's economic and social performance objectives." According to them, enviropreneurial marketing is featured by an innovation and technology solution to meet the environmental needs, an entrepreneurial orientation, and confluence of social, environmental and economic performances. Firms differ in terms of their degrees of adopting enviropreneurial marketing.

Banerjee, Iyer, and Kashyap (2003) expanded Menon and Menon's (1997) initial conceptualization to incorporate both environmental orientation and environmental strategy, and develop the concept of corporate environmentalism. Corporate environmentalism includes two core elements: environmental orientation and environmental strategy. Environmental orientation refers to senior managers' recognition of the importance of environmental issues facing their companies; whilst environmental strategy refers to the extent to which environmental issues are integrated with a firm's strategic plans (Banerjee et al., 2003). According to Banerjee et al. (2003), environmental orientation positively impacts on environmental strategy, which in turn has a positive impact on performance under some conditions (Menguc & Ozanne, 2005). More recently, Chan (2010) found that the impact of environmental orientation on environmental strategy is positively moderated by regulatory stakeholder influence.

Initially Menon and Menon (1997) offered a conceptual framework on the antecedents and outcomes of enviropreneurial marketing. They suggested that enviropreneurial marketing can impact on business performance and corporate reputation, and such effects tend to be stronger if the firm's industry has a better reputation. They further argued that a firm's enviropreneurial marketing would be driven higher by the firm's internal policy (e.g., tog management environmental sensibility) and external policy (customer environmental sensibility, regulatory intensity), internal structure (e.g. centralization of decision making) and external economy (e.g., competitive intensity). However, these were conceptual propositions with no support from empirical evidence. Baker and Sinkula (2005) developed a measure for enviropreneurial marketing and empirically found that enviropreneurial marketing has a positive impact on firms' capabilities, such as new product development success. Banerjee et al. (2003) identified and empirically tested a similar set of antecedents of corporate environmentalism. These antecedents include top management commitment, public concerns, regulatory forces and so on. They also found that industry sector (high vs. moderate environmental impact sectors) moderates the impacts of some corporate environmentalism's antecedents. Both Menon and Menon (1997) and Banerjee et al. (2003) stressed the important role of top management team, which suggests the importance of leadership in adopting green marketing strategy. Indeed, Egri and Herman (2000) found that leaders' personal values (e.g., more ecocentric, openness to change, and self-transcendent) and transformational leadership style have a positive impact of a firm's environmental strategy.

3. Green supply chain management

A supply chain can be defined as a network of companies working together towards the goals (e.g. customer service, fulfilment and so on) of the whole supply chain (Chan & Chan, 2010). Supply chain management is thus highly coupled to resources allocation and hence a variety of optimisation techniques can be found in the literature to aid decision-making processes (Chan, 2011). Having said that, the interface between marketing and supply chain management cannot be overlooked (Lambert & Cooper, 2000). For example, Jüttner, Christopher and Baker (2007) examined how to integrate marketing and supply chain activities from a demand chain point of view. The objective of the paper is to propose a new business model which can add values along the chain. By the same token, green supply chain management (e.g. Lamming & Hampson, 1996) and green marketing (e.g. Cronin et al., 2011) cannot be considered separately. Nevertheless, the interfaces between green supply chain research and green marketing are rather unclear. This is particularly obvious if the effort devoted to green supply chain management results in marginal benefits only (e.g. Côté, Lopez, Marche, Perron and Wright, 2008). Below are summaries of some relevant research themes in order to support this though:

3.1. Corporate performance

Most green supply chain management studies are coupled with corporate performance and hence attempt to conclude that green supply chain can influence companies' profit or even competitive advantages (e.g. Zhu & Sarkis, 2004). Bowen, Cousins, Lamming, and Faruk (2001) argued that financial incentive is the major driver force for implementing green supply chain. Rao and Holt (2005) investigated the relationship between green supply chain management practices and firms' competitiveness as well as economic performance, and they confirmed that a positive relationship exists. Chiou, Chan, Lettice, and Chung (2011) also reach a similar conclusion although their study focuses only on the Taiwanese market. Vachon and Klassen (2008) concluded a correlation exists between environmental performance and competitive advantage in their survey. Notwithstanding the huge amount of studies in the literature in relation to the above, the link between green supply chain management activities, for example green supplier management (e.g. Bai & Sarkis, 2010), green purchasing (e.g. Green, Morton, & New, 1998) and green marketing activities, for example green branding, seems missing.

3.2. Product development

Green product development is also found to be coupled with firms' performance (e.g. Lau, Tang, & Yam, 2010). Particularly, Chen, Lai, and Wen (2006) found that green product and green manufacturing process innovations are positively associated with corporate competitive advantage. However, results from some studies are conservative on this aspect (e.g. Ragatz, Handfield, & Petersen, 2002). Extending this into the debate around integrating green supply chain management and green marketing, it is therefore important to understand the interaction and possible overlaps between two practices. However, green product development is not a straightforward analysis and hence some scientific tools are proposed in order to quantify such effort from environmental conscious perspective. For example, Yung et al. (2011) proposed a life-cycle approach to analyze the green product development options of an electronic product. However, such approach is perhaps too tedious in terms of data collection, and is difficult to link to green marketing effort as the analysis is not easy to be presented to the customers. In addition, this method is mainly employed at product level, not supply chain level (Schmidt & Schwegler, 2008). In other words, such efforts are not easy to make visible to the consumers.

3.3. Lean

Lean, sometimes refers to as just-in-time, aims to optimise the process by eliminating wastes appear in that in a broader sense (Bruce, Daly, & Towers, 2004; Chan, Yin, & Chan, 2010; Hines, Holweg, & Rich, 2004). The concept has been applied in some sectors other than