### Chapter 10

# Green Innovation in the Absence of Social Trust: A Case Study of MengNiu Dairy

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#### **ABSTRACT**

In recent years, food safety has become an urgent problem to be solved, especially in China's dairy industry. After the 2008 Chinese milk scandal, how to rise again by green innovation is a very important issue. As a representative of China's dairy enterprises and with the enterprise positioning of "a milk manufacturing service provider that commits itself to human health", MengNiu Dairy has achieved "MengNiu speed" and "MengNiu miracle" attracting worldwide attention within ten years. Therefore, the green innovation strategy implemented by MengNiu Dairy is worthy of research. In this paper, MengNiu Dairy, the leading dairy enterprise in China, was taken as the research object, and the author mainly applied narrative research method to analyze the green innovation strategy implemented by MengNiu Dairy from all aspects, and summarized that through the combination of charity marketing and green innovation, MengNiu Dairy developed the system and model of sustainable strategy, which had farreaching significance in its development and adapting to the current environment at home and abroad.

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#### INTRODUCTION

With the development of China's economy and the establishment of sustainable development in China, people's environmental protection awareness has been continuously improved, and some new green concepts have been introduced by all countries, like mushrooms after a rain (Li, 2013). In the current society that advocates the concept of sustainable development, human's pattern of consumption is becoming increasingly civilized and green innovation is gradually rising, and how should enterprises meet the green innovation demand, develop green products, and implement green marketing has become a key issue to be solved; besides, sustainable development will also become the necessity of historical development (Gao, 2011).

In recent years, the continuous emergence of China's food problems brought enterprises many problems in selling products and people continue to question about the product safety; therefore, how to solve the mistrust between enterprises and consumers becomes a difficulty of enterprise development.

Green innovation has two meanings. One is that enterprises unify their own benefits, consumer benefits and environmental protection benefits together in the production and operation process; the other is that enterprises take environmental protection as management guiding ideology, green culture as value, and green consumption of consumers as the center and the starting point (Ma and Deng, 2014). The key point is that enterprises take green and health as leading factors in each link, including all aspects of production and sales, and will obtain the proof from relevant departments, which has relatively high credibility. For the choice of production technology, product design, the use of raw materials, establishment of production routine, establishment of packaging methods, disposal of waste, and other aspects, enterprises pay attention to the protection of the environment and take responsibility for people's health, so that the enterprises can balance the consumer demand, enterprises benefits, and environmental protection, thus better shaping the enterprise image.

Through the implementation of green investment, enterprises reduced the consumption of material resources per unit of products and improved the utilization ratio of resources, which can not only save material costs, but also reduce pollution and pollution control costs, thereby reducing production costs; in this way, greater economic and social benefits can be achieved with less green investment, and it has played a crucial role in both enterprises profits and environmental protection, achieving the purpose of a win-win business (Li, 2015). Such an innovative model is suitable for long-term development of enterprises, as well as sustainable requirements, and a series of such marketing strategies can be summarized as sustainable strategies. Only by implementing the sustainable strategy can enterprises achieve better long-term stable development and continue to grow.

In years of development, MengNiu Dairy has been committed to "strive to be a consumer-centric century-old nutrient and healthy food enterprise that leads innovation" and taken "focus on nutrition and health and bring a little bit of happiness for more people in every single moment" as its own responsibility. How did MengNiu Dairy change its enterprise image, strengthen people's impression of MengNiu Dairy's green health, and become an everlasting enterprise of the dairy industry is worthy of research. Therefore, this paper took MengNiu Dairy as an example and analyzed that how could it carry out green innovation through charity marketingeting under the background of losing the social trust.

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