

Chapter 13

Entrepreneurial Values, Environmental Marketing and Customer Satisfaction: Conceptualization and Propositions

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ABSTRACT

This chapter attempts to develop a framework of an environmental marketing system that is propositioned to lead to customer satisfaction. A comprehensive and intense environmental marketing system as proposed in the chapter is believed to be the core of a firm's success. However, it is assumed that the success of an environmental marketing system would be impacted by some important factors like environmental education of customers and entrepreneurial traits such as eco-innovation, risk-taking, and perseverance. Therefore, propositions are developed in this chapter in order to demonstrate the relationship between an environmental marketing system and customer satisfaction and also the power of customer education and entrepreneurial traits in moderating the effective functioning of the system.

INTRODUCTION

'Corporate environmentalism' (Banerjee & Kashyap, 2003) has captured the attention of many organisations in the wake of the increasing impact of environmental problems in business. However,

importance and impact of natural environment on business strategy development (Menon & Menon, 1997) and deployment needs further clarity in the literature. Some authors (Keogh & Polonsky, 1998) argue that the nexus between business and natural environment is one rooted in commitment.

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Nair and Menon (2008) argue that a committed business initiative like environmental marketing is vital for the holistic improvement of environment and consumer satisfaction. Entrepreneurship values can be effective weapons through which business environmental responsibilities are ignited and practiced in organizations (Drumwright, 1994; Keogh & Polonsky, 1998). This will eventually result in the firm becoming a leader in environmental initiatives in industry and helps develop a sustainable competitive advantage (Dechant & Altman, 1994; Porter & van der Linde, 1995; Menon & Menon, 1997; Keogh & Polonsky, 1998). A lot has been debated on the importance of green initiatives in business; however, use of environmental marketing and entrepreneurial theory in this context is rarely seen in the literature. This paper is an attempt to offer some conceptual propositions which may hopefully aid future research in the areas of environmental marketing and entrepreneurship.

DEFINITIONS OF TERMS

The concept by Kotler & Levy (1969) suggested “societal marketing” an approach in marketing that takes care of social wellbeing of customers and the society. According to Kotler (2006) “The societal marketing concept holds that the organization’s task is to determine the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer’s and society’s well-being.” Societal marketing addresses the issues of ethical marketing, social well-being and public interests among other conventional marketing objectives of customer satisfaction and profit maximization. Societal marketing generally emphasizes the importance of a healthy and safer society (Nair, 2004). However, societal marketing is not directly addressing the environmental orientation and well-being of the future generations (Peattie, 1995, Daub & Ergenzinger, 2005). This has lead

to the emergence of specific marketing concepts in the early 90s, which has come to be referred as ‘green marketing’ (Charter, 1992; Ottman, 1993), ‘environmental marketing’ (Peattie, 1995; Polonsky, 1995), ‘ecological marketing’ (Apaiwongse, 1994), ‘sustainable marketing’ (Van Dam, & Apeldoorn Y.K., 1996), and ‘enviropreneurial marketing’ (Menon & Menon, 1997). Though most of these concepts are closely related, there are subtle differences in its understanding and applications. The paper adopts the term ‘environmental marketing’ and uses the following two definitions for the purpose of conceptualization in the paper.

Environmental marketing is defined by Peattie (1995) as: “the holistic management process responsible for identifying, anticipating, and satisfying the requirements of the consumers and society, in a profitable and sustainable way.” According to Charter (1992) “greener marketing is a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being.”

Hendrickson and Tuttle (1997) suggest that “an ‘environmental enterprise’ is a for-profit organization that, at least in part offers products and services for sale that benefit the environment.” It has been argued in this paper that an environmental enterprise makes an attempt to provide sustainable environmental business solutions and hence customer satisfaction and value. Therefore, environmental marketing is used as a strategy and business philosophy that deals with developing and marketing innovative products and services to serve the needs and interests of customers, the organization and the environment. Menon and Menon (1997) introduced the concept of “Enviropreneurial marketing (EM), as “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.” This definition is also used in this paper

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