

Chapter 21

Nexus of Green Management, Green Marketing, Sustainability, and Financial Performance

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ABSTRACT

Consumer and organizational awareness of environmental sustainability is ever increasing. In the era of global warming and climate change, organizations need to move away from traditional marketing strategies to green marketing strategies and green management to remain sustainable. The objectives of this chapter are to provide stakeholders with the overview and importance of green marketing, establish the link between green marketing mix and strategic green marketing, and reveal what organizations should focus on in developing green management to remain competitive and profitable. Green marketing strategies activities for financial services were highlighted, and lastly, the authors examined the impact of green management on firm financial performance. The chapter offers a holistic practice and recommendation of going green for both financial services and other businesses. Practical implications for managers were pointed out through commitment to green marketing and management to yield positive outcomes on firm financial performance in the long run.

INTRODUCTION

Green marketing strategies is a vital impetus for every organisation to achieve their goals, remain relevant, competitive, and sustainable. Traditional marketing approach is no longer sustainable in this epoch of global warming. Consumers are becoming more conscious of the product they buy which has necessitate more awareness of green marketing and green management practice by organisations locally and globally. Therefore, for all sectors of industry, in today's business it is "GO GREEN or GO HOME", is no longer business as usual.

This chapter aims to outline the concepts, need for the implementation, benefits, strategies, as well as understanding the impact of green marketing and green management to remain relevant, competitive, and

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sustainable. Current literatures were explored, and recommendations were provided for today's businesses and managers as they focus on increasing their financial performance in the quest for climate change.

BACKGROUND AND OVERVIEW OF GREEN MARKETING

Climate change has revolutionized companies into innovative development of green management. All business activities from human resources, sales and marketing, technology, production, supply chain, and finance are taking a paradigm shift from traditional way of doing business. Business processes from all sectors are being reengineered to conform to the move of going green.

Dahlstrom (2010) defines green marketing as the study of all efforts to consume, produce, distribute, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns", and "the development and marketing of products designed to minimize negative effects on the physical environment. Karna, Hansen & Juslin (2003) affirmed that green marketing is a tool that firms use to gain monetary goals by fulfilling buyers' demands and needs that are derived from society's changing environmental awareness. Furthermore, Ranjan (2020), posit that green marketing relates to "the satisfaction of the needs and wants of the consumers with a minimum impact on the environment.

However, from the financial sector perspective, Evangelinos, Skouloudis, Nikolaou & Filho (2009) described green marketing *as* the development of green financial products, such as loans that finance cleaner technology and the implementation of environmental strategies, such as energy efficiency and waste management programs, that improve banks' environmental performance and reputation. Few studies have been carried out to explore the notion of green marketing in the financial sector. Lymperopoulos, Chaniotakis & Soureli (2012) explored green marketing model in a financial sector by providing a framework that service providers may adopt in order to implement a green marketing strategy. They suggested that service organizations should design new processes that require fewer resources as inputs and place fewer demands on the environment. Millat, Chowdhury & Singha (2012) discussed the emergence of green banking in Bangladesh to foster sustainable environmental growth through implementation and development of green banking activities in the country. Similarly, Rahman, Ahsan, Hossain & Hoq (2013) opined that banks can go green by bringing changes into six core banking activities, such as Change in the Investment Management, Change in Deposit Management, Change in Housekeeping, Change in the process of Recruitment and Human Capital Development, Corporate Social Responsibility (CSR), and Making Consciousness Among Clients and General Mass.

Therefore, green marketing is part of detailed business strategies (Prakash, 2002). Therefore, it can be said that green marketing is closely related both to business strategies and public order. Business entities can make themselves green through three ways: value addition process (at company level), management systems (at company level) and their products (at product level) (Dahlstrom, 2010).

BENEFITS/ IMPORTANCE OF GREEN MARKETING

In today's economy different stakeholders are recipients of green marketing benefits. As highlighted by Dahlstrom (2010) these stakeholders are the environment, consumers, developing and developed economies, the product, supply chain process, corporate strategy, and production processes.

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