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Going Green: Carving a Niche in a Global Market

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EXTENDED ABSTRACT

It's 2022. There are 8 billion people on the planet, compared to only 2 billion a century ago. Earth's natural resources are under more pressure than ever before. We are using more energy and creating more pollution than ever before. Just a few decades ago, corporations had one mission: Maximize profits for shareholders. Back then, sustainability was some idealistic notion. Today, a company that does not express commitment to sustainability will have a hard time earning consumers' trust and business. Businesses commonly express a commitment to corporate social responsibility and sustainability. Such commitment is often expressed in terms of "a desire to payback," "to invest in communities," "to be a global citizen," "to be socially responsible," "to engage in fair trade," or "to save the planet." Implementation may vary from company to company, but the basic theme remains the same: we may be a giant company, but we stand for more than just making money.

Sustainability has been defined in many ways, but the most commonly used definition is the one drafted by the United Nations World Commission on Environment and Development (Brundtland Report, 1987). The report defined sustainability as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".

Companies that do well are described in accounting terms as being "in the black". This is the accounting term for being profitable. The "black" shows up in the bottom line of the financial statement. Business practices that simultaneously benefit the business, society, and the environment help a firm become more sustainable. The triple bottom line refers to the economic, environmental, and social impacts of an organization. Here the company reaches out to its stakeholders rather than shareholders. However, the triple bottom line approach does not negate the drive for profits, it just does so in the context of also considering people and the planet. Consumers have higher expectations than ever of the companies they buy from, and this is impacting the brands they choose. The paper looks at the sustainability practices of seven companies from different industries.

Aldi is a German discount supermarket chain with over 10,000 stores in 20 countries. The company is taking a number of steps to help combat the global plastics catastrophe. It is noteworthy that by 2050, there will be more plastic than fish in the world's oceans! ALDI US, a chain with more than 1,800 U.S. stores in 35 states, is committed to plastic packaging reduction. The Company plans to reach the following set of goals by 2025 through working with its suppliers.

Amazon was founded by Jeff Bezos in 1994 to sell books online but turned into the largest e-commerce marketplace and cloud computing platform in the world as measured by revenue and market capitalization. One of the biggest opportunities for increasing the sustainability of

product distribution lies in the area of green building. Warehousing, for example, occurs in buildings like factories, distribution centers, retail stores, and office buildings. Commercial and industrial buildings are responsible for nearly half of all energy consumption and greenhouse gases in the U.S. It stands to reason that cutting energy costs should start with the buildings. Amazon understood that well, and renewable energy and energy conservation has been a priority for the e-commerce giant.

H&M or Hennes & Mauritz AB is a Swedish multinational clothing-retail company known for its fast-fashion clothing for men, women, teenagers and children. H&M and its associated companies operate in 62 countries with over 4,500 stores. The fashion apparel retail industry is one of largest in the world and is also one of the most polluting, second to the oil industry. The company has set ambitious 2025 goals that cover product manufacturing, recovery, and employee efforts. Their plans are to make manufacturing greener through the use of 100% certified organic cotton or recycled cotton, eliminate the use of solvent-based glues in footwear and accessories production, use water-based polyurethane for shoe orders, use 100% man-made cellulosic fibers to decrease deforestation, and use certified sources for wool.

Proctor & Gamble (P&G) is the world's largest consumer goods company. They have been in business for over 170 years and own iconic global brands, such as Tide laundry detergent, Luvs disposable diapers, Gillette razors, Olay beauty products, and Duracell batteries. P&G manufacturing sites will cut greenhouse gas emissions in half, and will purchase enough renewable electricity to power 100% of our plants. The Company will also source at least 5 billion liters of water from circular sources.

Seventh Generation is an American company that manufactures cleaning and personal care products. Established in 1988, the Burlington, Vermont based company distributes products to natural food stores, supermarkets, mass merchants, and online retailers. Although Unilever acquired the company in 2016, sustainability is still in the heart of operations. All products and packaging create zero waste; and all ingredients and materials are bio-based or recyclable.

Starbucks is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. As of early 2019, the company operates over 30,000 locations worldwide. In 2018, Starbucks announced plans to have 10,000 "Greener Stores" — all powered by 100 percent renewable energy — by 2025.

Walmart is an American multinational retail corporation that operates a chain of discount department stores, super centers (hypermarkets), and membership clubs. The company was founded in 1962 by Sam Walton in Bentonville, Arkansas. Walmart's ambitious sustainability goals are highlighted on its corporate website. They are:

- Operate with 100% renewable energy,
- Create zero waste, and
- Sell products that sustain our resources and the environment.

Keywords: *Green Marketing*

ABOUT THE AUTHORS

Ahmed Maamoun is an Assistant Professor of Marketing at the University of Minnesota Duluth. His research interests include the study of international corporations and how multinationals adjust their strategies to respond to cultural and socio-political differences. Being able to share his knowledge, either through the classroom or his research, provides him great joy. He has published in the *Journal of Business Case Studies*, *the Journal of Business and Economics Research*, *Ivey Publishing*, *Case Research Journal*, *Business Studies Journal*, and *SAGE Business Cases*.