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## Green marketing and its exploitation in Slovak companies

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### Abstract

A socially responsible company is not only oriented to maximize its profit, but an integral part of its philosophy is a social and environmental orientation and itself social and environmental interests of the society. Consumers' satisfaction and over-all educational process in these areas nowadays are seen as the important step to company success. Based on this, following paper deals with fundamentals of the conception of green marketing, which represents environmentally-oriented approach (eco-approach) and responsible management process. The green marketing includes more than just a simple building of corporate image. It becomes a modern mean of the enforcement of actual environmental trends to a broad spectrum of business activities. The field of action of green marketing tools is relatively extensive, starting with the protection of environment, production and sale of products and services with ecological conditions and requirements, through the final consumption of environmentally friendly products, which affects the quality of life and health of the whole society. The paper in brief presents the results of the marketing survey that was focused on finding how chosen Slovak companies applied principles of green marketing and used green marketing tools within their business activities, if ever. Based on the results of the survey, in the end of the presented article there are mentioned proposals and measures for the implementation of the green marketing principles in Slovak companies.

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## 1. Introduction

Natural environment is the initial part of marketing environment; therefore, the protection of environment became a significant part of modern marketing strategy that is named “green”. The aim of green marketing is to build long-term oriented relationship with customer that is based on trust. This is followed by three main principles as quality, integrity, honesty (Gogolova, Majerova, 2014). Quality means to provide the best that is company able to do for customer. Integrity means to run business in line with company’s values. In other words, there is no difference between company’s communication, advertising and promotion and the real business practice. Honesty is explicitness and truthfulness to the customer even there is no suitable solution for him (Masarova, Stefanikova, 2014). Green marketing is understood as full orientation on all business processes that have possible negative environmental aspects with a flow of corporate social responsibility. Principles of green marketing allow changing attitudes and values of companies while meeting the customers’ requirements and being environmental friendly (Lee, 2007; Ottman, 2011) There is a proof, that customers feel the responsibility of the state of the environment more than ever before. Therefore, it is assumed, that companies that involved environmental responsibility to daily business practice and decrease negative impact on the environment, will gain competitive advantage in near future.

## 2. Environmental policy in Slovakia

The United Nations Conference on Environment and Development (UNCED), also known as the Rio Summit, Rio Conference, and Earth Summit, was held in Rio de Janeiro in 1992. It dealt particularly about possibility that would prevent the emergence of global development crisis (Krizanova, Rypakova, 2013). The concept of sustainable development has been proposed as a possible solution that could optimize the relationship between social, economic and environmental dimensions of development. In this period, Slovak Republic was undergoing many changes related to political, economic and social issues. These changes had a detrimental impact on the environment. Particularly we are talking about technology used, indiscriminate interventions into the country, the nature of the waste management, depletion of natural resources and pollution (Krizanova, Majerova, 2013)

Due to these reasons, the Government of the Slovak Republic created the conceptual framework that should solve environmental problems. It was approved by resolution n. 619/1993. The title of this document is The Environmental Policy Strategy and its principles and priorities.

The document has its origins in the Constitution of the Slovak Republic. The Constitution imposes duties for the country to use natural resources wisely, care about the environment effectively and ensure the overall ecological balance. The Environmental Policy Strategy analyses the state of the environment and tries to increase the level of protection by using economic and legal tools, innovative technologies and treaties at the international level.

Moreover, it formulates objectives with long-term, medium-term to short-term horizon; it lays down the environmental principles of the national economy and determines the priority problems areas to ensure sustainable development and environmental safety.

National Action Programme (NEAP I., NEAP II. a NEAP III.) and National Programme for the Adoption acquis communautaire (NPAA) are followed by The Environmental Policy Strategy.

As the Slovak Republic became a member of the European Union in 2004, it was necessary to unify priorities in the environmental field with the requirements that have been contained in the Sixth Environmental Action Programme of the European Union on the environment for the years 2002 to 2012 (Lizbetinova, 2012)

Reconciliation was implemented through the NEAP III. It focuses on global climate change, improving the quality of life, conservation of nature and biodiversity and management of natural resources and waste. In next year’s, the Slovak Republic will focus to improve energy efficiency and the amount of renewable energy sources, but also to reduce greenhouse gas emissions. This will follow the strategy "Europe 2020" - A strategy for smart, green and inclusive growth.

### 3. Exploitation of green marketing in Slovak companies

Currently, terms as green marketing, green business or eco-friendly products are used more often. They are used in context of companies' communication. Due to these reasons, the aim of the research was to develop the level of green marketing implementation in selected companies in Slovakia. The tools and instruments used by addressed companies have become the object of this survey.

#### 3.1. *Marketing survey aimed at finding the utilization rate of the principles of green marketing in selected companies in Slovakia*

The survey was conducted between selected companies in the Slovak republic. There were no limitation in size or economic activities. There were created four classes within companies, the classification criterion in a certain class was the number of employees. We assumed that large companies spending more on green marketing activities. Therefore, we used the size classification using by European Union. The first class consists of micro-enterprises with a maximum of nine employees. The second group consists of small businesses, which employing at least 10 and not more than 49 employees. Third group includes medium-sized enterprises with a range of staff from 50 to 249 employees. Lastly, the fourth category consists of large enterprises, has a lower limit of the interval 250 and unlimited upper limit of the number of employees.

Total amount of companies surveyed was a hundred. The survey was conducted in 2014 within five weeks. The method of collecting primary data was provided by questioning and as tool was chosen questionnaire. Based on the survey results, we have investigated the level of implementation of green marketing in Slovak republic. One hundred companies was asked to fill the questionnaire by email, the return rate was 50%. Ten companies were interviewed personally. The total number of questionnaires processed was 60. According to the economic activities, forty-three percent of companies that filled the survey represent manufacturing companies, 40% represent companies that provide services, and 17% are companies that are combination of both.

#### 3.2. *Interpretation of the survey results*

The introductory part of the questionnaire contained of questions regarding the number of employees, geographical exposure, economic activity and specific type of business processes according to the result of this activity. Those served questions created a general characteristics and structure of analysed subjects.

Fifty-seven percent of subjects operates only in the Slovak republic, 36% in the European Union and 7% has competence in a number of countries in different continents. The small enterprises were the most representing sample, with a maximum of up to 49 employees, what represented 36% of the total amount. The least number was represented by large and micro companies, each with a value of the share of 17%. Medium-sized enterprises accounted for 30% of the total surveyed companies. Our assumption about relation between territorial scope and the size of company was confirmed. Micro-enterprises coverage only Slovak Republic, small and medium-sized companies European Union markets, and large companies operate in different countries and continents. Service providing companies and manufacturing companies represented approximately the same share, 42%, the rest was a combination of those. Specifically, those companies are engaged in the production and sale of dairy food products, company focused on engineering, construction, textile industry and trade, and the production and sale of plastics. The most surveyed subjects operate in construction industry, namely 14, what represents 23% of total amount of surveyed companies.

The next part of the questionnaire was designed to examine the degree of implementation of the Environmental Management System (EMS) followed by questions about the knowledge of green marketing term and how much companies spend on marketing.

Companies running business in the automotive industry achieved the highest earning values. It is assumed that total earning has an impact on total marketing spend, so this was the main reason to add this question to the survey. During the analysis, it was found that share of the costs spent on marketing is not influenced by the size of enterprise. Therefore, it is possible to sum up those companies surveyed providing marketing activities without any

relation to earning achieved. In case of small businesses, the percentage of those costs was even by an average of 4% higher than in medium-sized enterprises. Companies running business in the automotive industry reached the highest share of the costs spent on marketing.

The analysis of surveyed companies' philosophies showed, that every single company has stated its environmental orientation and the objectives in this area. It specifically described the environmental aspects of their business processes in various stages of production process and already applied solutions which avoiding negative impacts on environment. It was found, that environmental policy is provided mostly by large enterprises, subsequently 4 that operate worldwide and 2 that operate in European Union and those that operate in automotive industry.

We assumed that companies have applied the principles of green marketing even they have not given these activities incorporated into the philosophy and mission of the company. The companies were asked about daily business practice and principles of green marketing that are using in specific areas. It should support or refute this assumption. In general, 80% of analysed companies recognized the term of green marketing; this means the term is relatively known within the Slovak companies.

Ten percent of medium-sized mechanical engineering companies, 3% of the companies that processing plastics, 3% of companies producing automotive components and 3% of micro-enterprises that operate in the field of agriculture plan to apply EMS. Rest of companies do not have implemented EMS and do not plan to do that in near future.

Companies are asked to meet the requirements of EMS and other environmental and legal compliance. Independent audit organization has to confirm the effectiveness of the business processes and implemented system and assess met requirements. Process continues with certification by third part, mostly by international certification organization. This is possibility to demonstrate and confirm the company's environmental performance. It was also one of the main reasons for the inclusion this question in the questionnaire. Therefore, it is clear that most of the analysed companies do not have implemented EMS and no plans to implement it, and it is regarding to 53% of small businesses.

The third part of the questionnaire was focused on the tools used in the green marketing mix. It was gradually examined and evaluated the use of various tools in production and operation processes, transportation, communication, price. The result is an overview and categorization from different perspectives.

The survey showed that 44% of the analysed companies use no environmental labelling. This may be caused by insufficient knowledge of different types of eco-labels. Therefore, this figure could be probably overestimated. Just 10% of surveyed companies use environmental labelling of product that is met by law requirements. Namely, four services providing companies, two combined and no manufacturing company. The comprehensive view showed, that 33% of answers were related to environmental labelling of packaging. Nowadays, there is an obligation to use this type of marking regarding to law, so it is becoming a necessity.

We also examined whether companies use technologies that save energy, resources and protect the environment and human health. They were grouped into four categories:

1. Energy saving technologies.
2. Technologies that enable to recycle waste or gain secondary raw materials.
3. Technologies that enable to use waste as an additional source of energy while meeting environmental requirements.
4. Technologies that enable to dispose of waste and pollutants and at the same time do not damage the environment and human health.

Enterprises could mark multiple options at the same time. The survey showed that 48% of companies stated the first option. Moreover, 83% of companies chose the first option in combination with other options. In opposite, just 17 % of companies chose third and fourth option.

Just nine percent of companies, and even only large companies marked all of available types of technologies. Large and medium-sized companies chose at least three of options as well. The analysis of survey results confirmed the assumption that large and medium-sized companies have applied mentioned technologies. The most used devices are energy saving bulbs, sewage treatment plants, power saving modes of used devices, recycle and filter units, waste separation devices and heating supplies. Between special mentioned technologies belong waste treatment, which is used to feeding the animals, device for the manufacture of moulded briquettes from sawdust and

dry particle separator in the paint. Large companies running in automobile industry provide modern laboratories that develop technologies with the lowest negative impact on the environment.

None of analysed company uses environmental materials that have specific qualities related to the nature of raw materials, and according to their origin and characteristics. In term of green marketing, the positive finding was brought by the fact, that 44% of companies use secondary raw materials. However, there is a possibility to explain given fact wrong because companies tend to promote the term “recycled” in every possible situation. Primary and secondary raw materials and materials are used by approximately same proportion of enterprises, namely 43% of companies and only 13% of surveyed companies use just primary raw materials.

In the survey, we have also developed assumption about the link between the scope of business and the diversified mode of using transport. The analyses showed that a wider scope actually meant the wider diversity of modes of transport (road, rail, water, air, pipelines). Survey showed that companies operating in several countries and continents use at least three of the available modes of transport. Those companies marked air transport as only ones. Other companies chose just two options, and they were limited up to the European Union.

The combination of pipeline transport identified 3% of companies operating in the Slovak republic; they are companies running business in the chemical industry. The electrified rail transport should be preferred if we take into account the relation between speed and cost per tone-kilometre. As well, rail transport is the most suitable mode of transport, follows the principles of green marketing, and it reaches the middle position among all other modes of transport.

On the other hand, there is negative aspect of rail transport as less flexibility of transport routes, difficult handling of products and materials that require unique technical equipment and specifically built areas, whereas rail network in most cases does not allow access to the actual destination and transfer requires the unloading trucks. This was the reason to observe the percentage of combination with the second option offered by all modes of transport. Rail and road transport is used by 27% of surveyed companies, 10% use rail transport in combination with other modes of transport and 63% of companies do not use rail transport at all. In terms of green marketing, this is not a positive finding.

Several questions in survey were devoted to used communication tools. Our assumption was not supported. There is no positive relation between the size of company and preferred form of promotion and advertising.

Table 1. Relation between size of enterprise and the used form of promotion [%].

[Source: author]

Form of promotion	Micro enterprise	Small enterprise	middle-sized enterprise	large enterprise	Total
TV, radio, web, journals, magazines, posters, flyers, billboards	3	3	-	10	16
radio, web	-	7	-	-	7
radio, web, magazines	-	3	-	-	3
radio, web, magazines, flyers, posters, billboards,	3	-	7	-	10
web, magazines	-	13	-	-	13
web, posters, flyers, billboards,	7	8	13	-	27
web, magazines, posters, billboards, flyers,	-	-	10	7	17
magazines	3	-	-	-	3
posters, flyers, magazines	-	3	-	-	3
<b>Total [%]</b>	16	37	30	17	100

Sixteen percent of companies marked all the offered possibilities, 10% of large companies, 3% of small companies and 3% of micro-enterprises. The preferred forms of promotion in green marketing was offered in first three options that were chosen by 7% of enterprises without combination with others. In combination with the remaining options, the number of subjects increased to 87% of the total and the rest, 6% of enterprises, does not apply preferred forms of advertising in green marketing.

Thirty-three percent of enterprises do not use direct marketing. The majority of surveyed companies marked

Internet, namely 47% of companies and just 3% of companies appeal customers by order mail, 17% use phone calls. In terms of green marketing, more than half of companies (64%) prefer to use the technology that have less impact on the environment.

Just sixty-seven percent of enterprises use communication tool Public Relations. It is mostly used in small enterprises, namely by 36%. Nineteen percent of PR users also marked the options as participation in conferences, events focused on environmental issues, contributions and blogs oriented on sustainable development. Companies mentioned other activities as meeting with customers, education of employees, trainings courses aimed on protection of environment and the impact of business activities. The main goal of these activities is to increase their environmental knowledge.

As well, sponsorship is the one of the important marketing tool. We developed in our survey that just 10% of companies support environmental oriented projects, 7% of large enterprises and 3% of medium-sized enterprises. It means the unfavourable value in term of the rate of green marketing implementation. Just three percent of micro enterprises stated, that they support competition events and balls in their community by donations in form of gift. Current economic and financial situation and previous crisis probably cause that 43% of companies do not devote any charity or sponsor any events. The graph below displays three groups of enterprises. Enterprises were divided due to used tools applied in green marketing communication mix.

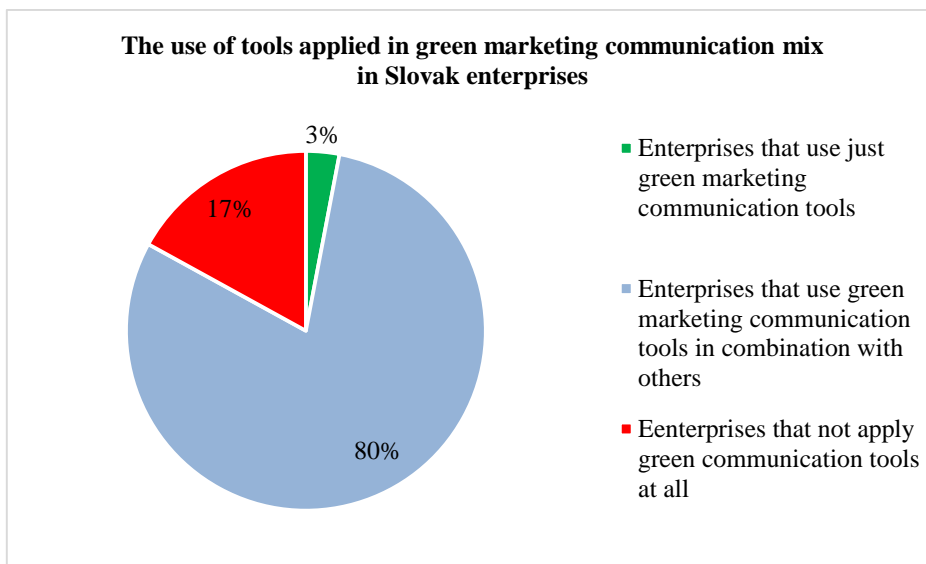


Fig. 1. Three groups of enterprises divided due to used tools of green marketing communication.  
[Source: author]

1. First Group – enterprises that use just green marketing communication tools. It means orientation on web, TV and radio advertisement, or direct marketing provided by social media and phone calls.
2. Second group – this group includes companies that use tools mentioned in first group in combination with others.
3. Third group – this group contains of enterprises that not apply green communication tools at all.

Up to 80% of the analysed enterprises have applied the principles of green marketing in its communication mix. Only 3% of companies use just green marketing communication tools and the other 17% of them do not use green tools in communication at all. At the end of the survey, we studied how companies offset the costs associated with environmentally oriented activities. Companies formulated the main returned areas connected with costs spent on EMS implementation, devices for environmental protection, etc. Therefore, enterprises mentioned energy savings and sources savings that could be driven back in product prices. Moreover, they stated that they see added value in



building positive image, trust, acquiring loyal customers and long-term oriented relationship, and increased sales, as well. However, up to 30% of companies do not feel any desired compensation and do not appear any expected reaction of customers. Despite the interest to introduce additional resources-saving and protecting technologies, companies currently do not have adequate funds for this purpose.

#### **4. Proposal and measures for implementation of green marketing principles in Slovak companies**

We can state some general proposals and measures based on survey and analyses that were focused on the exploitation the level of green marketing implementation. In case, company does not have enough internal resources needed to finance technology and devices saving energy and sources, increasing the environmental protection or education of employees aimed on increasing their environmental awareness, it is possible to use public sources. Slovakia government budget has currently not enough sources to provide the necessary funds available to grant. Therefore, companies can use foreign external sources

Environmental issues are wide range covered in current funding programming period 2014-2020. Moreover, they are included in funding priorities of "Sustainable and efficient use of natural resources". European Union will support projects that focusing on carbon emissions reduction and to improving the effectiveness of the use of resources. Companies have opportunity to cooperate with different departments of universities. Research environment at universities will ensure developing projects and innovative activities aimed on environmental protection at the high level. For instance, In order to develop cooperation between companies and universities The Office for Cooperation with industry of University of Zilina was established. All its activities are linked with the Science and Technology Park Zilina from 2001.

Although some of green marketing principles are used within the Slovak companies, there is a necessity of complex approach to their use. It is very important to implement these principles in business philosophy and strategy. Environmental aspects must be monitored throughout the whole life cycle of the product, and in all business processes. There is a need to focus on materials and technology, packaging and possibility of recycling already during the product development phase. Here is suitable to implement the life cycle assessment analyses.

Companies should focus attention on marketing mix applied. In order to be company considered as "green", it is required to use the widest range of resources that will achieved environmental marketing goals. There is a room to achieve competitive advantage and gain new environmental-oriented segments of customers. Customer will change their purchasing behavior and will convert just in case of their engagement in education process of company.

Promotion, particularly tools as an advertising and PR, offers a good opportunity to raise environmental awareness among all consumers, and help to change public attitudes. Company should clearly explain the environmental information about the product, make customer fully aware and engaged. It is assumed, that the segment of green customers will increase hand in hand with increasing well-focused education.

There are many possibilities to promote company in environmental light in the field of marketing communication; i.e. use social media to promote company, communication through the blogs, posts and use electronic media to work over with partners, use e-invoices, and many others. Company can prepare appropriate activities conducted on Earth Day (April 22), Car Free Day (22 September) or Earth Hour.

Companies are challenged to take advantage of cooperation with scientists for instance in use of green packaging technologies that currently do not have competition. Researches from Slovak University of Technology in cooperation with the Polymer Institute of the Slovak Academy of Sciences have developed polymers that can be biodegraded. Other plastics are not able to do that. Therefore, it opens one of the many possibilities to protect the environment. Development of this patent is very expensive, what make an opportunity for company to support it within its sponsorship activities.

All figures should be numbered with Arabic numerals (1,2,3,...). Every figure should have a caption. All photographs, schemas, graphs and diagrams are to be referred to as figures. Line drawings should be good quality scans or true electronic output. Low-quality scans are not acceptable. Figures must be embedded into the text and not supplied separately. In MS word input the figures must be properly coded. Preferred format of figures are PNG, JPEG, GIF etc. Lettering and symbols should be clearly defined either in the caption or in a legend provided as part of the figure. Figures should be placed at the top or bottom of a page wherever possible, as close as possible to the

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The figure number and caption should be typed below the illustration in 8 pt and left justified [*Note*: one-line captions of length less than column width (or full typesetting width or oblong) centered]. For more guidelines and information to help you submit high quality artwork please visit: <http://www.elsevier.com/artworkinstructions> Artwork has no text along the side of it in the main body of the text. However, if two images fit next to each other, these may be placed next to each other to save space. For example, see Fig. 1.

## 5. Conclusion

The incorporating of the green marketing principles to business systems means the enormous potential to obtain a sustainable competitive advantage. It is not enough to have been guided only by customers, but it is necessary to also focus on employees, investors, suppliers, partners, vendors. Behavior according to the principles of green marketing is not mandatory, defined legal terms, its implementation is based on a voluntary basis. Entrepreneurial entities and organizations have realized that it is necessary for their future existence in the market and it has many benefits. The claim, that one of the biggest benefits of green marketing for the enterprise is its greater competitive ability, is justified.

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