

From Green Marketing to Sustainable Marketing in Vietnam: Policies and Practices

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ABSTRACT

The production and consumption of commodities all over the world have resulted in the creation of a slew of environmental issues. As a result, businesses are focusing on green marketing and developing eco-friendly or green products that are less detrimental to the environment than traditional items. Furthermore, consumers are becoming more conscious of environmental issues and are actively attempting to decrease their environmental effects by purchasing green products and adopting a greener lifestyle. As a result, the phrase "Green Marketing" has swiftly become a global phenomenon. In order to achieve a harmonic mix of the three advantages: customers, companies, and social benefits, firms have included Green Marketing orientation into their growth plans in order to deal with environmental issues and changes in people's consumption patterns. The article gives an overview of green marketing theory as well as the practical implementation of green marketing strategy in Vietnam.

KEYWORDS: *Green Marketing; eco-friendly product; green label; Sustainable Marketing*

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1. INTRODUCTION

With the huge increase in the world population, there is a gradual increase in the demand for various consumer products and industrial products, leading to the depletion of natural resources such as land, water, fuel, clean air, etc (Hunt, 2011). Moreover, the increase in human demand led to an increase in the instability of the environment. Environmental problems lead to a change in the way they consume their products and activities on this planet (Hunt, 2011). In the late 1980s, the green marketing concept was advocated by both marketers and consumers around the world (Belz & Peattie, 2012). In recent years, Vietnamese businesses have started to apply green marketing in their marketing activities. Green Marketing has developed as a direct competitor to traditional marketing since this approach is directed at the advantages of the environment, the benefits of a clean, disease-free country, which is also a concern of the world's top countries (Belz & Peattie, 2012). In this article, the green marketing perspective and its necessity for business development will be introduced and discussed in the new trend in Vietnam.

2. RESEARCH METHODS

2.1. Research objectives

- The article focuses on synthesizing and analyzing the theory of green marketing: the concept, needs, and importance of green marketing.
- Identify the current situation and solutions to improve the effectiveness of green marketing for Vietnamese enterprises.

2.2. Research methods

The group conducts research on documents with related content, studies diverse documents and theories, and analyzes them using the theory taught in the topic material. After collecting and evaluating the references, review of relevant studies in context of Vietnam in accordance to the identified framework, the system will be systemized and synthesized into an activity focused on the primary topic of the essay.

3. RESEARCH RESULTS

3.1. Theory of green marketing

3.1.1. The concept of Green Marketing

Green Marketing became popular in the late 1980s and is also known as Environmental Marketing and Eco Marketing. According to Hennion and Kinnear

(1976), Green Marketing was originally presented when earlier studies emphasized the necessity of offering solutions to counteract the negative environmental effect of marketing operations. According to Govind (2014), Green Marketing is described as a complete and responsible strategic management approach that identifies, predicts, and meets stakeholder requirements without negatively impacting the human or natural environment (Melović, Radović&Babić, 2014). Green marketing is a comprehensive management process that analyzes, predicts, and responds to consumer and societal demands in a profitable yet sustainable manner (Peattie &Crane, 2005). Peattie claimed in 1992 that Green Marketing is a complete governance process responsible for defining duties such as forecasting and reacting to consumer and societal demands in a sustainable manner (Peatti and Crane, 2005). According to this interpretation, the research shows the existence of a link between ethics and Green Marketing. Environmental concerns are regarded as part of the ethical issues that marketers must consider and address. As a result, Green Marketing should be regarded as a component of social responsibility (Polousky and Rosenberger, 2001). Ottoman in 1993 (Dangelio and Vocalelli, 2017) discovered that definitions of Green Marketing at the time were relatively restricted, stressing the impact of companies on the environment but not convincing and changing their terrible behavior. Ottman thinks that Green Marketing should concentrate on producing goods that meet all customer demands, such as quality, price, usability, and compatibility, thus reducing the detrimental influence on the natural environment. Recognizing these constraints, Peattie (2001) defined Green Marketing as marketing efforts that attempt to reduce the negative environmental and social consequences of current goods and production systems while also encouraging products and services to have less influence. Kotler (2011, cited Papadas et al. 2007) defines Green Marketing as a company's commitment to delivering safe and ecologically beneficial products and services through the use of bags. The packaging is recyclable and biodegradable, employs superior pollution control measures, and consumes less energy. In short, Green Marketing is not a wholly distinct type of marketing, but it does intersect with other types of marketing. As a result, the essence of Green Marketing has been misunderstood (Dean and Pacheco, 2014). Green Marketing differs in its substance and is linked to the human values that drive firms to employ this marketing strategy (Peattie, 1992). According to Peattie (2001), the green marketing development process has three stages.

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Firstly, "*Ecological green marketing*" was specifically focused on certain "environmental concerns" such as air pollution, depletion of oil reserves, oil spills, and the ecological repercussions of synthetic pesticides such as DDT. Furthermore, the emphasis was on pollution and resource depletion (especially of energy resources), as well as on local or national problems. Ecological green marketing tried to find specific goods, businesses, or sectors that were either creating or in a position to assist address these specific problems. Furthermore, while ecological green marketing was argued across a very small "front line" of industries such as autos, oil, and agro-chemicals, it was somewhat of a "minority sport," with few consumers and businesses significantly changing their behavior.

Furthermore, in the second era of Green marketing, the terms "*Environmental green marketing*" and "*Sustainability*" were introduced combined. It brought together concerns of the physical environment, society, and the economy and acknowledged their connection. Previously, these were presented as independent agendas with competing interests (in particular environmental protection and economic growth were presented as a choice). Besides, it was a notion on which businesses, governments, and environmental groups could all agree (even if some were concerned about sustaining the economy in the long term, while others were more concerned about sustaining the natural environment). This opened up new avenues for partnerships and cooperation. Moreover, while it took a global perspective and recognized most "environmental problems" as symptoms of our unsustainable production and consumption systems, the concept was widely debated and, in theory, adopted as a strategic goal by the vast majority of the world's governments and major corporations.

Finally, "*Sustainable green marketing*" will be a major step for green marketing, including a transition from environmental marketing to sustainable marketing, both in terms of complexity and importance. It entails shifting away from evolutionary improvements that lessen environmental harm and toward fundamental shifts in how we live, produce, sell, and consume. The majority of the environmental issues that gave rise to green marketing are escalating. Social anxiety over the future of the environment, as well as the effects of further economic expansion and globalization, remains high. Both of these should put pressure on the government to make changes. These are balanced by vested

interests among today's stakeholders, who are likely to oppose such extreme reforms, the benefits of which would flow to future stakeholders. As a result, progress is likely to be sluggish and will need a mix of law, taxes, consumer activism, innovation, and business leadership.

3.1.2. The necessity of green marketing for businesses

With a series of operations such as altering product design, manufacturing process, packaging, and promotion to fulfill customers' and society's "green demands." Businesses gain greatly from green marketing. Specifically:

➤ Bringing great opportunities for businesses

Consumption of environmentally friendly products is gradually gaining popularity and is expected to become a trend in the future. Evidence from around the world shows that people are concerned about environmental changes that are changing their behavior (M. K. Sharma, Neha Pandey, Rubina Sajid, 2015). In a survey in 60 countries, while 50% of consumers in each country are interested in green products, 80% of consumers in Australia are committed to changing their consumption behaviors that have an adverse effect on the environment (Bui Lan Phuong, 2019). Thus, if businesses have marketing activities that care about the environment, they will have sustainable competitive advantages over companies that do not care about the environment.

➤ Increasing the ability to enforce government regulations

There are many mature laws and regulations established to protect the environment, some of which include, OSHA (Occupational Safety and Health Administration), CERCLA (Comprehensive Environmental Response, Compensation and Liability Act), TSCA (Toxic Substances Control Act), HMTA (Hazardous Material Transportation Act), FIFRA (Federal Insecticide, Fungicide, and Rodenticide Act), FFDCA (Federal Food, Drug and Cosmetic Act), GHS (Globally Harmonized System of Classification and Labelling of Chemicals).

With the desire for more sustainable development in the future, the Government always wants to protect the interests of consumers and society through the promulgation of regulations on controlling the amount of waste released into the environment. And, green marketing is one of the tools to help businesses best meet regulations by:

- Minimizing harmful products to consumers;
- Regulating consumer behavior related to harmful products;

- Raise awareness to ensure that all consumers have the ability to protect themselves against harmful products.

➤ Helping businesses reduce operating costs

Some businesses think that dumping toxic substances into the environment can save costs, but in the long run, this is not the case. Finding ways to recycle used products not only develops efficient production systems but also reduces the source of raw materials. This creates a "double" effect, helping businesses save costs in recycling and reducing the need for raw materials. Therefore, many businesses are looking for green marketing solutions for a whole production system, instead of just minimizing the amount of waste released into the environment.

3.2. Current status and solutions to apply Green Marketing in Vietnam

3.2.1. Vietnam Green Legal Framework

Decree 19/2015/ND-CP guiding the implementation of Law on Environmental Protection 2014 mentioned that the Heads of state budget-funded agencies and units are responsible for putting a high priority on public procurement of the kinds of products which is produced as environmentally friendly products certified with the Vietnam Green Label by the Ministry of Natural Resources and Environment; recycled and disposed waste products that certified by the authorized state management agency. Besides, the Ministry of Finance shall take lead and coordinate with the Ministry of Natural Resources and Environment in developing the regulations on public procurement of environmentally friendly products as mentioned above. This decree also mentioned organizations and individuals shall give priority to the purchase of environmentally friendly products under the guideline of the Ministry of Natural Resources and Environment

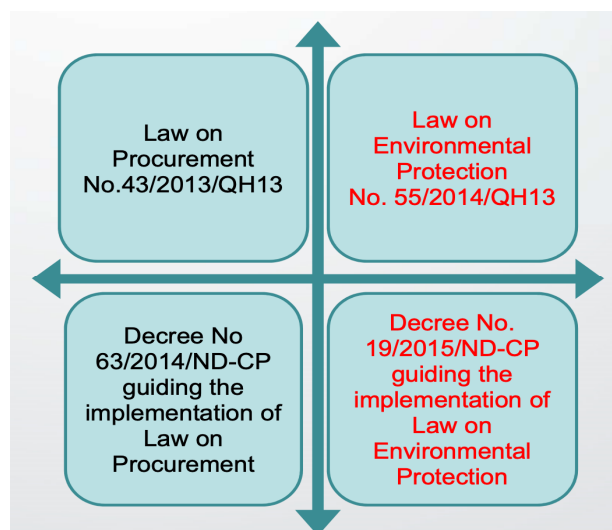


Figure 1 Legal framework supporting for producing and consuming eco-friendly products in Vietnam

According to Prime Minister's Decision No. 76/QĐ-TTg approving National Action Plan on Sustainable Consumption and Production by 2020, with a vision to 2030, the Prime Minister require the ministries to assess market potential and the ability to supply environmentally friendly products of export enterprises of Vietnam; carry out researches on export opportunities and participation in global value chains for key export products of Vietnam when these key export products are certified with Vietnam Green Label, energy-saving label. Moreover, Decision No. 76/QĐ-TTg's main task is to support the trading promotion, market access for products certified with Vietnam Green Label, energy-saving label, and others. Continuing to implement the Viet Nam Green Label Program, certification of the energy-saving label and other eco-labels, and promoting the evaluation and certification of environmentally friendly products and services. In the Law on Environmental Protection No.55/2014/QH13, Article 44 mentioned that agencies, organizations, family households, or individuals shall be responsible for producing and consuming eco-friendly products and services. Nevertheless, it is also identified that the Head of state budget-funded institutions shall bear their responsibility for preferring eco-friendly products and services that have been recognized as ecolabels under legal regulations, and the Ministry of Natural Resources and Environment shall direct and cooperate with communications agencies in performing the advertisement and promotion activities for such eco-friendly products and services.

Although the concept of "green growth" "green marketing" and "sustainable consumption and production" has slowly been introduced to governmental policies and regulations. However, this legal framework supported developing more ecolabel criteria for products in high demand of the Government and preparing guidelines and training for government bodies in implementing the regulation on public procurement of environmentally friendly products.

3.2.2. Current status of a green marketing application in Vietnam

Vietnam, like many other developing countries, is currently facing increasingly serious and alarming environmental pollution. Over the years, the state management of the environment in Vietnam has become more and more strict and complete. Typically, Vedan Vietnam Joint Stock Company discharged wastewater into the Thi Vai River in 2008. When the incident was discovered, it immediately created a wave of discontent in public opinion. The amount that Vedan has to compensate is not large, but

the most remarkable thing is the collapse of trust in this brand in the hearts of consumers. The expensive lesson of Vedan's "little gain, much less" is worthy of attention from all other companies in Vietnam. Or most recently, in April 2016, Hung Nghiep Formosa Ha Tinh Iron and Steel Co., Ltd (Formosa Ha Tinh for short) discharged wastewater directly into the sea, polluting the central sea and affecting health and economy in the region. In fact, there are still many companies like Vedan, Formosa that are discharging wastewater day and night, causing heavy pollution to the environment, greatly affecting people's health. In addition, many domestic enterprises still have an attitude to deal with this problem, they still maintain the notion that "environment" is the responsibility and burden of enterprises, so they do not voluntarily protect it. However, besides businesses like Vedan, there are many businesses that have used Green Marketing effectively. Building a reasonable green marketing strategy at the right time when the whole society, government, media, and people are boiling with environmental issues will not only help businesses improve their image in the public eye but also many other benefits. One of the typical images is the proactive marketing strategy of Metro supermarket group when it decided to sell sedge bags to customers instead of providing free plastic bags as before. This can be considered as a "go ahead, take the lead" decision of the business. This strategy is implemented with the aim of awakening the green needs of consumers and improving the image of the business to society. Since 2009, Vietnam has implemented an eco-label program called Vietnam Green Label with the aim of continuously improving and maintaining the quality of the living environment by reducing the use and consumption of energy and materials. materials as well as wastes generated from the production, trading, and consumption of consumer products and services for life.

The Vietnam Green Label Program was built to encourage organizations and businesses to design products and conduct activities in the direction of reducing harmful impacts on natural resources and the environment during the extraction of raw materials. production, packaging, transportation, consumption, and disposal of products; Create a sustainable market for environmentally friendly products through preferential mechanisms for organizations and individuals producing, exporting, importing, and consuming; Encourage Vietnamese industry to export products to the world market with a commitment to comply with environmental regulations to meet product standards according to ISO14024:2005; Strengthen cooperation with eco-label networks in the region and the world,

agreements on mutual recognition/recognition with eco-label granting systems of countries and organizations, etc.

Like the "Ecolabel" of other countries, the "Vietnam Green Label" is a type of "Label" used to indicate products with a higher overall priority on the environment than other products in the same category a group of products on the basis of an assessment of the environmental impacts and impacts of the entire product cycle (life cycle).



Figure 2 Vietnam Green Label

"Vietnam Green Label" is attached to products that are not only good in quality but also good in complying with environmental requirements during production, using, and recycling, which are better products than similar products. about saving energy and doing less harm to the environment. The certification of eligible products to be labeled with the Vietnam Green Label is an activity of certifying the conformity of the product type with the requirements of the Green Label Criteria announced by the Ministry of Natural Resources and Environment.

According to the provisions of Vietnamese law, the product is granted an Eco-label by an organization recognized by the State as an environmentally friendly product. Establishments producing and trading in environmentally friendly products will enjoy incentives and support in terms of land and capital; exemption and reduction of taxes and fees on environmental protection. Therefore, when an establishment's products are labeled with the Vietnam Green Label, it also means that the establishment will enjoy incentives in accordance with the law.

It can be said that the eco-label - Vietnam green label will be the target of businesses and consumers' consumption habits. Businesses look to eco-labels to ensure market share and profits, and consumers turn to eco-labels to ensure safety during use.

Two benefits, two subjects, but towards a common goal is to protect the environment and improve the quality of life. Vietnam's first two certified green-label products are Fluorescent Lamps of Dien Quang and Tide Detergents of Procter & Gamble Co., Ltd. Products with Vietnam Green Label have met quality standards and environmental criteria.

Dien Quang's light bulbs are safe, economical, and environmentally friendly products - a value associated with economic benefits for consumers and society. Products with high lighting efficiency and energy-saving bring practical benefits, are convenient to use, suitable for consumers' economic ability, and demonstrate Dien Quang's social responsibility. Dien Quang's bulbs use Japanese 3-color fluorescent powder, achieving high luminous efficiency, and Dien Quang's products use fireproof plastic materials, ensuring safety for users.

Tide washing powder - a cleaning product used for washing machines or hand washing, helping to clean white fabrics and clothes. Tide laundry detergent does not contain harmful and dangerous substances. The tide always brings users the most effective technologies and solutions for laundry.

3.3. Solutions to improve the effectiveness of Green Marketing toward sustainable marketing in Vietnam

In the current context, more than ever, green marketing is the concern and strategic priority of corporations around the world. The explosion of this trend globally has posed many difficulties and challenges for Vietnamese businesses. Although Vietnam has been skipped the first stage "*Ecological green marketing*" and at the second stage "*Environmental green marketing*", Vietnamese businesses should implement an effective and successful green marketing strategy toward "*Sustainable green marketing*". There are some necessary actions that need to perform:

➤ First, consumer-centric

If you want to sell a "green" product to consumers, you need to first make sure that consumers are aware of what a "green product" is and how interested are the issues the product wants to represent

A good example of a green product is that this product must meet the standard and be certified Organic (super clean and completely organic) is a very common concept in Europe, referring to products that are completely organic. all-natural and healthy. In Vietnam, this concept is not new, but it is not widely known and people do not fully understand its meaning and importance to life and health. According to international practice, products that

meet Organic standards will be labeled "Certified Organic Foods" such as Organic formula milk powder, Organic baby nutrition powder, Organic meat, eggs, vegetables, and organic fruits. This certification is affixed to a product if and only if the product is: hormone-free, herbicide-free, chemical-fertilizer-free, non-GMO, irradiated, sterile, and fragrance-free., colorants and preservatives. All Organic foods are under constant, strict control from the beginning to the end. Currently, many Vietnamese consumers have paid more attention to and selected products that meet this standard, although it has never been assessed as the most important factor when buying a product. Therefore, it is necessary for businesses to help customers understand the value and benefits that green products bring to their lives. Once products and services have fully ensured factors such as quality, price, beautiful and reasonable packaging, and a good distribution system, the "green" factor will help businesses increase their competitiveness. on the market.

➤ **Second, clear information for customers**

Businesses need to help target customers realize the importance, have full information, and understand clearly about their green marketing campaigns. Regularly implement two-way interactive communication activities, create marketing messages to help "green" ideas reach closer to consumers. Advertising strategies for "green" products must follow the orientation of combining the following three points: profit, people, and environment.

➤ **Third, create opportunities for customers to participate**

Customers need to directly participate in activities in the Green Marketing campaign because customers are an indispensable component in the value chain of the business.

➤ **Fourth, honesty**

Consumers will be especially sensitive and reactive if advertising and communication are not true. Research shows that customers tend to criticize and boycott products associated with exaggerated claims even though the product is "green" indeed. Therefore, businesses must comply with the commitments in the Green Marketing campaign. Business policies and activities in the value chain must be consistent, environmentally friendly, and create credibility, making consumers believe in the legitimacy of the product and the truthfulness of its claims. advertising statement about the product.

➤ **Fifth, quality assurance**

Consumers will not be willing to sacrifice quality to buy a product that is considered a green product. Therefore, when making criteria for green product

production, enterprises must practice it every day. It is impossible to commit to green production, then use chemicals in the production of products, or ignore waste disposal.

➤ **Sixth, consider pricing**

Environmentally friendly products often have very high production costs, so "green" businesses often have to sell their products at a higher price. Therefore, businesses must make sure that consumers can accept the high price and feel that the money is worth it.

4. CONCLUSION

Through theoretical research and practical application of Green Marketing in Vietnam, the article shows the importance and necessity of Green Marketing in the development trend of businesses. However, in reality in Vietnam, most businesses are still hesitant about people's psychology and consumption consciousness (such as consumers' preference for affordable and quality products moderate), the problems of protecting "green", pricing, and promoting products have created great pressure for businesses. Therefore, Vietnamese marketers need to make more efforts in adjusting and balancing factors to ensure the principles of a green marketing strategy, as well as the requirements of manufacturers. Besides, it is necessary to agree and respond from consumers and prioritize support from all levels of government for green marketing to be really effective.

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