

**GREEN MARKETING PRACTICES BY SUPERMARKETS IN NAIROBI
CENTRAL BUSINESS DISTRICT, KENYA**

BY

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DECLARATION

I hereby declare that this research is my original work and has not been submitted in the same form or any other form to the University of Nairobi or any other university or institution for any award.

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DEDICATION

I dedicate this piece of noble work to my dear family, my darling husband Eng. Mungeria, my children; Kanyiri, Kithinji, Kendi and Kanana for their patience, moral support, inspiration and bearing with my absence and busy schedules during the period of study. To my beloved parents Helen and Jackson for their support in my early stages of education.

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LIST OF ABBREVIATIONS

AMA	American Marketing Association
CBD	Central Business District
CEO	Chief Executive Officer
DEF	Definition
RBV	Resource Based View
SCA	Student Conservation Association
SPSS	Statistics Package for Social Scientists
TPB	Theory of Planned Behavior
UNEP	United Nation Environmental Program
WCED	World Commission for Environment and Development

ABSTRACT

Previously, businesses assumed that incorporating ‘green’ into their business strategy would cost money, but they now realize that ignoring negative impacts on environment will be costly in future. The purpose of this study is to establish green marketing practices by Supermarkets in Nairobi’s central business district. This research used descriptive research design approach which involves acquiring information about one or more groups of people about their characteristics, opinions, attitudes or previous experiences – by asking the questions and tabulating their answers. The population of interest was all the supermarkets companies in Nairobi’s CBD. The study was carried out on all the 10 supermarkets found in Nairobi’s CBD. Primary data was collected using semi-structured questionnaire which was divided into three sections, the first part was on demographic information, the second on the extent of adoption of green marketing and the last part on benefits derived from green marketing practices. The questionnaire was administered using drop and pick method. Marketing managers for the respective supermarkets were targeted for interview. Data analysis involved reducing the accumulated data to manageable size, developing summaries and looking for patterns and applying statistical techniques. Descriptive statistics was used to analyze the data. The Statistics Package for Social Scientists (SPSS) program was used to analyze the data and output presented in form of tables, pie charts and bar graphs. From the findings, it is clear that, the answers given by the different respondents were almost the same. This might be because all the companies are found in the same region and hence have almost the same operational strategies. To add on that the respondents were all very experienced and knowledgeable about green marketing. The researcher recommends that, the government should create awareness to all supermarkets on the benefits derived from practicing green market in order to make their products more acceptable in the market and conserve the environment for future generation. This should also be reinforced by the relevant regulatory authorities. The study recommends the need for supermarkets to practice green market through product, price, distribution and promotional strategies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The effects of climate change, along with pollution and the depletion of non-renewable natural resources, have given rise to environmental awareness (Douglas 2006). Consumers in the recent years have become aware of the damage being inflicted on the environment by businesses in pursuit of the bottom line. Government regulatory bodies and consumer pressure groups have aggressively lobbied for businesses to adopt green practices (Bateman and Zeithmal, 1983). Given the prominence the green movement has raised to in recent years, it is surprising that the marketing literature has paid relatively scanty attention to the efficacy of green marketing practices (Baker and Sinkula, 2005). Besides, marketing research that evaluates such strategic initiatives is lacking in comparison to other disciplines.

The Resource –based view holds that firm possesses resources, a subset of which enables them to achieve competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource imitation, transfer or substitution. In general, empirical studies using the theory have strongly supported the resource-based view. Barney, (1991). Theory of planned behavior developed by Ajzen and Fishbein (1980) assumes that behavioral intention is the most important determinant of behavior hence it offers a clear and defined structure that allows the investigation of the influence that attitudes, personal and cultural determinants and volitional control have on consumers' intentions to buy environmental friendly products.

Currently supermarkets are adopting green marketing strategies which questions in mind such as; where is business trying to get into the future, which markets should a business's competes in and what marketing activities are involved in such markets, how can a business perform better in those markets, what resources are required to be able to compete, what external, environmental factors affect the business's ability to compete and what are the values and expectations of those who have power in and around business. Organizations have highly adopted green marketing practices to build

their customer base in the markets. An attempt will be made in this proposal to analyze green marketing practices by supermarkets in Nairobi's CBD.

1.1.1 Concept of Green Marketing

A business can enhance its competitiveness through improvements in environmental performance to comply with environmental regulation to address environmental concerns of customers and to reduce the environmental impact of its products and services. While the vast majority of consumers claim to be green, green products account for less than four percent of the global product market share (UNEP, 2005). This alone suggests the need for marketing research to address the massive disconnect between attitudes toward green products and businesses and actual purchase behaviors. A true triple-bottom line orientation is a concept that captures an expanded spectrum of values and criteria for measuring organizational (and societal) success: economic, ecological and social. There is a growing interest among top managers, stakeholders and academicians regarding green marketing practices and its potential impact on the triple-bottom line.

Firms are increasingly adhering to a triple-bottom line performance evaluation, a concept coined to reflect the growing tendency of stakeholders to evaluate organizational performance on the basis of economic prosperity that is profits, environmental quality that is the planet and social justice that is the people. The recent BP oil spill in the Gulf of Mexico typifies the impact that an environmental disaster can have on a firm's triple-bottom line. Specifically, firms are expected to commit to green marketing practices as the cost of materials and energy continue to rise, public pressure continues to increase, there is increasing awareness that subscribing to triple-bottom line practices can increase consumer demand, and consumers' growing antipathy to globalization relative to green performance (Kleindorfer, Singhal & Wassenhove, 2005).

According to Ottmam (2009) from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental

issues should be balanced with primary customer needs. Successful integration of eco-system in marketing decisions creates a win-win outcome. This means that all the three parties, namely the firm, the customer, and the eco-system, must win. The challenge, therefore, for the marketer is to create such a winning matrix.

1.1.2 Concept of Retailing

Omar (1999) suggest retail as any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution. Lewison (1989) defines retail as any business establishment that directs its marketing efforts towards the final consumer for purpose of selling goods and services Retail industry as Bhavathi (2010) observes is one of the fastest changing and vibrant industries in the world has contributed to the economic growth of many countries. The term ‘retail’ is derived from the French word retailer which means ‘cut a piece off or to break bulk’. In simple terms it implies a first-hand transaction with the customer.

Retailers serve as purchasing agents for consumers and as sales specialists for producers and wholesaling middlemen. They perform many specific activities, such as anticipating customer’s wants, developing product assortments, and financing. Retail market strategy identifies; the specific markets and market segments that the firm intends to pursue, the consumer and competitive performance that the firm desires in its selected markets, and specific means by which the firm intends to appeal to its target customers and establish its competitive position.

1.1.3 Retailing Industry in Kenya

According to a country report by Euro monitor 2014, Kenya’s retailing industry continued to experience considerable growth over the review period. This can be attributed to the increased purchasing power among Kenyans middle class and upper class population. Other key factors include improved infrastructure, which has facilitated the movement of goods and meant higher quality at lower prices. In addition the sustained property boom had allowed retailers to establish outlets prime locations near residential neighborhoods offering more convenience to consumers. Retailing in

Kenya is thus on an upward growth trajectory, especially supermarkets. Kenya's informal retail sector includes the traditional open air markets, kiosks, small corner shops, and street traders all of which are very popular and conveniently situated to provide a wide array of products making them easy to access. The formal retail sector include the hypermarkets, supermarkets, discounters, convenience stores, mixed retailers, clothing and footwear retailers, health and beauty retailers, furniture and furnishing stores, hardware stores, durable goods retailers, leisure and personal goods retailers. Therefore formal retail sector accounts for 3% of current retail trade leaving a whopping 97% to the informal sector.

The report further states that during 2013 and 2014 Kenya is set for a major retail boom with the entry of four global retail chains such as Wal-Mart present in Kenya through south Africa's subsidiary Massmart stores, Jet and Edgar's plan to open retail outlets in Kenya, further intensifying competition in the retailing in Kenya while local retailers Nakumatt, Tuskys, Uchumi and others continue to expand. The government of Kenya's goal is to raise the market share of products sold through formal channels from current 5% to 30% and contribute an additional KSH 50 billion to the GDP

1.1.4 Supermarkets in Kenya

The supermarket is not a new concept in Kenya, having had the first store of its kind in the 1960s (Neven and Reardon, 2005). Some of the old players in the retail industry are Uchumi supermarkets, founded in mid 1970s and Nakumatt supermarkets, founded in 1987. However much growth was not seen within the retail chains until mid-90s when supermarkets to the current over 400 store in Kenya (Kamau, 2008). These range from well-established retail chains to independent one store supermarkets. Neven and Reardon (2004), notes that supermarkets have rapidly penetrated urban in Kenya and spreading well beyond their initially tiny market niche among the urban middle class into the food markets of lower- income groups.

Supermarkets are penetrating in selling processed and staple food markets much earlier and faster than fresh foods. In Kenya they buy half the volumes of produce exported thus represent a significant new dynamic market opportunity for farmers. A research conducted by Neven and Reardon (2005) found that between 1993 and 2003,

supermarkets in Kenya grew in numbers by a rate of 18% p.a. They also found that supermarkets spread from Nairobi to intermediate and small towns with 44% of supermarkets. Nairobi shoppers have increasingly shown preferences for supermarkets because of lower prices and a variety of goods they offer. Because supermarkets operate in a very competitive environment, it is imperative that the manufacturers of fast moving consumer goods adopt strategies to motivate them to stock their products in order to gain a competitive

1.2 Research Problem

Previously, businesses assumed that incorporating 'green' into their business strategy would cost money, but they now realize that ignoring negative impacts on environment will be costly in future (Van de Zee, 2008). Green marketing practices have become increasingly more important to firms adhering to expanded spectrum of values and criteria for measuring organizational (and societal) success: economic, ecological and social performance evaluation. Green innovation practices are necessary in order to satisfy the expectations of the wide range of stakeholders that have ambiguous and sometimes conflicting demands (Hall & Vredenburg, 2005). For organizations, inadequate green marketing practices leads to demands of social pressure and regulation put by relevant authorities.

Retailing has emerged as an important building block of green marketing program and has raised significance of retail focused sustainability research (Wiese et al, 2012). Green retailing incorporates availability, display and promotion of green products, sustainability practices in the retail stores and ethical business practices. A set of retailers specifically choose to source and retail products from manufacturers who design and produce environmentally friendly products and adopt environmentally friendly business practices. These manufacturers explicitly integrate environmental issues in products to reduce their environmental impacts in terms of materials, manufacturing, use and disposal (Pujari et al, 2003). Therefore innovative role of retailers has increased in showcasing their green products and in communicating their environmental practices.

Most research in marketing has focused mainly on the conventional marketing in general without special consideration of green marketing. Some studies have investigated some aspects of green marketing. For instance, Kiongera (2003) studied green marketing practices in cement industry in Kenya. Obuya (2007) did a survey of the extent to which manufacturing firms in Nairobi practice green marketing while Kalama (2007) investigated green marketing practices by Kenya petroleum refineries. None of the study has been done on green marketing practices by the supermarkets in Kenya a retail industry directly in contact with the environment. Given the gap existing in this area of green marketing, the study seeks to answer the following research question: what are the green marketing practices by the supermarkets in Nairobi central business district?

1.3 Objective of the Study

To establish green marketing practices by Supermarkets in Nairobi's central business district.

1.4 Value of the Study

The results of this study are expected to contribute to theory building, policy issues and marketing practice. The study will add to the existing resource based theory and specifically to the retail marketing strategies. The study will contribute to managerial practice as managers in the supermarkets a retail industry in Kenya can use it as a reference point that individual firms can adopt in order to remain competitive through improvement in environmental performance.

This study will be important to government as well as non-governmental agencies responsible for conservation of the environment so that they will have an overview of the various marketing practices that supermarkets in Kenya have put in place to reduce damage to the environment and also investigate false green claims. In addition, the results of the study will be important to the industry players both in the private and public sector by contributing to the existing body of knowledge in the area of green marketing practices in retail sector.

The findings of the study will be invaluable to Kenyan scholars for it will act as a basis upon which further research into the area will be based and a good source of secondary data on the same. The researcher will also benefit through the communication and writing skills that will be gained by the time the research project is completed.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter begins with a theoretical review of the various theories applicable in this study then presents the past studies on issues concerning green marketing concept and green retailing. On the concept of green marketing, the following will be discussed; green marketing practices in organizations, factors influencing green marketing, importance of green marketing practices to an organization as well as the effectiveness of green marketing practices. On the retail concept the following will be discussed; retailing and green retailing.

2.2 Theoretical Review

The following theories were discussed for the purpose of this research namely; resource based theory, and theory of planned behavior.

2.2.1 The Resource Based View Theory

The resource-based view (RBV) of Wernerfelt (1984) suggests that competitiveness can be achieved by innovatively delivering superior value to customers in a way that customers consider appropriate. The RBV highlights the firm as a unique collection of resources, but the theory emphasizes that not all of these resources possesses the potential to provide the firm with sustained competitive advantage (Barney, 1991). The RBV contends that the possession and identification of key resources embodying these essential features along with their effective development and deployment that allows the firm to achieve and sustain competitive advantage.

Barney further defines these key resources to include “all assets, capabilities, organizational processes, firm’s attributes, information, knowledge etc. controlled by a firm and that enable it to conceive and implement strategies that are efficient and effective”. (Barney, 1991) RBT can be applicable in the firm’s environmental strategy (Hart, 1995). Hart proposes that the RBT can serve as the basis for a theory of competitive advantage which considers the firm’s relationship to the natural

environment. He asserts that strategists should expand their notion of environment and resources to include the natural resources and that, to achieve SCA, firms should engage in three types of environmental strategies; pollution prevention, product stewardship and sustainable development. Logistics is often at the forefront of such “green” initiatives.

2.2.2 Theory of Planned Behavior

The Theory of Planned Behaviour (TPB) was developed by Ajzen and Fishbein (1980). The theory assumes that behavioral intention is the most important determinant of behavior. Behavioral intention is believed to be influenced by a person’s attitude towards performing a behavior, and whether individuals who are important to the person approve or disapprove of the behavior. This theory offers a clearly defined structure/model that allows the investigation of the influence that attitudes, personal and cultural determinants and volitional control have on consumers’ intentions to buy environmental friendly products.

The TPB is relevant in this study because it offers a clearly defined structure that allows change of consumer behavior from consumption culture to ecologically concerned consumers. Furthermore, it is the task of the marketer to redirect the needs of the consumer towards consumption that is ecologically least harmful. This redirection can be achieved through market research, and promotion. According to Our Common Future, a publication of World Commission for Environment and Development (WCED) 1987, sustainable development requires the promotion of value that encourages consumption standards that are within the bounds of ecological environment. The fact that marketing during the past few decades has been so successful in increasing societal consumption and in meeting human needs, make us confident that it will also be successful in redirecting consumption (Polonsky et al, 1997).

2.3 Green Marketing Practices

Green marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection (Polansky, 2001). He further defines it as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occur with minimal harmful impact on the natural environment. American Marketing Association (AMA), defines green marketing as the marketing of products that are presumed to be environmentally safe (retailing def.), the development of markets of products designed to minimize negative effects on the physical environment (social marketing def.), and the efforts by organizations to produce, promote, package and reclaim products in a manner that is sensitive to ecological concerns (environments def.). The term ‘green business’ is defined by Smith (2003) and Friend (2009) as business and practices that are viewed as environmentally sound, including the use of organic and natural products to build factories, tighten protection against emissions and environmentally friendly sourcing of materials.

Past research suggests that members within an organization play a critical role in the green efforts and success of the firm. In fact, Drumwright (1994) suggests that the policy entrepreneur within the firm plays a critical role in instituting organizational policies. Thus, policy entrepreneurs that are concerned with the state of the planet are likely to engage in behaviors that promote green practices within the organization. However, it is quite common that the person or group leading the green initiative lacks the authority required to implement new environmental policy (Carter & Jennings, 2004). Unlike top management, often policy entrepreneurs lack the positional power to mandate strategic change related to the green efforts of the firm.

Further, as new environmental policy often requires change to business practices and reward systems, it is often met with resistance from other functional areas within a firm (Carter et al, 2007). Thus, while research suggests managers with high levels of managerial responsibility demonstrating responsibility for environmental matters are the most effective in improving buy-in from others involved in the process, achieving such commitment from management is not always guaranteed. Unless management recognizes the importance of environmental issues to stakeholders, and the benefits

offered from such a strategy, it is likely that they will not champion new environmental initiatives. Thus, while it may be preferred for organizations to utilize the pressure of top management to encourage organizational buy-in, it may not be the case if there is no one within the organization with the rank required to champion the initiative. Accordingly, research suggests that acquiring buy-in from others within the organization is critical to the success of new environmental policy (Willard, 2008). Therefore, firms may be well served in identifying the most logical champion prior to pursuing a green transformation.

2.4 Factors influencing Green Marketing Practices

There are various factors that influence practices of green marketing as discussed in this section.

2.4.1 Knowledge about Green Practices

Knowledge about green practices evolves in two forms. Firstly, the consumers have to be educated to understand the general impact of the product on the environment, and secondly the consumer's knowledge of the product itself being produced in an environmentally friendly way (D'Souza, Taghian & Lamb, 2006). The globalization has increased the consumer power by changing the seller's market to buyer's market. This has resulted to a shift from "push" where delivery schedules originate from producer, to "pull" where producer implement delivery schedules only after customer acceptance (Ghadhi et al, 2006). If therefore, consumers exhibit a high degree of ecological consciousness and channel it to corresponding ecofriendly purchases, it is likely that profit driven enterprises will be strongly motivated to adopt the concept of green marketing practices in their organizations

Most consumers would like to make rational choices in situations concerning the purchase of environmentally friendly products, thus they would want enough information to be fully aware of and knowledgeable about environmental problems and issues in order to form an opinionative or attitudinal view in order to choose according to their intentions. As Laroche et al (2001) pointed out; the education of the consumer is seen as an appropriate method for increasing perceived convenience and establishing

credibility in terms of being environmentally friendly. This is referred to as Eco literacy, which is used to measure the respondent's ability to identify or define a number of ecologically related symbols, concepts and behaviors. It has been found to be correlated with some attitudes and behavior toward the environment (Laroche et al, 1996).

Ottman (1997) has suggested various strategies that may help companies to make reasonable progress toward environmental oriented business philosophy. Undertaking environmental audit to assess current performance, being proactive by going beyond what is expected, being a visible CEO who demonstrates commitment to environmental issues, empowering employees on environmental issues and constantly integrating, learning , refining products and services and regularly reporting an environmental performance through annual reports and special advertising and public relation efforts.. This is the adoption of eco-marketing orientation as a business philosophy.

Vindigni et al (2002), pinpoints that there is a growing demand for organic foods. The growth is expected to continue in the coming years. As this window of opportunity, organizations are increasingly targeting consumers who are concerned about the environment (Chad, 2000). In 1989, 67 percent of Americans stated that they were willing to pay five to ten percent more on ecologically compatible products and by 1991, environmentally conscious were willing to pay between fifteen to twenty percent more for green products. (Laroche et al, 2001).

2.4.2 Interpersonal influence

Interpersonal influence primarily consists of the impact of acting to persuade, convince or influence others for the purpose of having a specific effect. An important determinant of an individual's behavior is the influence of others (Bearden et al, 1989). According to social cognitive theory, the process of interpersonal influence advocates a bilateral-directional interaction that also occurs between environmental and personal characteristics (Bandura, 1977, 1986, 1989). As part of this process, social influences and physical structures within the environment develop and modify human expectations, beliefs and cognitive competencies. In addition, humans evoke different reactions from their social environment as a result of their physical characteristics, such as age, size, race, sex and physical attractiveness.

The social influences of peers, family groups and influential bodies can convey information and activate emotional reactions through factors such as modeling, instruction and social persuasion (Bandura, 1986). Social environments such as family, friends and peer networks (normative susceptibility) strongly influence buying decisions that involve environmentally friendly products. Interpersonal processes and relationships between opinion leaders and professionals are likely to have a substantial impact on similar attitudes towards buying decisions (informational susceptibility). Stafford and Cocanougher (1977) suggested that the lack of consideration for the effects of interpersonal influence on the development of attitudes, norms, values, aspirations and purchase behavior may hinder the understanding of the essence of consumer behavior.

2.4.3 Value Orientation

The term “value” has been defined as an enduring prescriptive or proscriptive belief that a specific end state of existence or specific mode of conduct is preferred to an opposite end state or mode of conduct for living one's life (Kahle, 1996). The two most frequently studied values in research on environmentally friendly products and ecological behavior are collectivism and individualism (Hui&Triandis, 1986).

Kim and Choi (2005) proposed that value orientations are believed to guide consumers' concerns for environmentally conscious behavior. For example, consumers who are collectivistic (pro-social) tend to be more concerned about the environmental consequences and tend to engage in environmentally conscious consumptions, such as switching from conventional to green products for environmental protection and avoiding a product that is detrimental to the environment than consumers who are individualistic (pro-self).

McCarty and Shrum (2001) examined whether value orientation and economic status at an individual level have influence on beliefs about the importance of recycling. The study revealed that, for individuals who have pro-social beliefs about the importance of recycling are positively related to the propensity to recycle. However, for those who are pro-self, the importance of recycling is not a motivating issue, only the inconvenience of recycling predicts their behavior.

2.4.4 Perceived Product Necessity

Two product categories are examined; these are luxury and necessity items. Luxury items tend to have a degree of exclusivity, and are thus usually more expensive and of higher monetary risk than necessities (Sharma et al, 1995). Moreover, the risk of a bad purchase and the hedonistic value of luxury products are characteristics of a complex task where the purchase decisions become more elaborate, important and time consuming, such as purchasing luxury products (Solomon, 2006). On the contrary, necessity items tend to represent commonly owned products, and as such signify a lower monetary risk and hedonistic value, and involve less complexity in terms of decision making.

When a product is perceived as a necessity, it is expected that consumers' attitudes towards the environment should play a relatively minor role in affecting purchase behavior, or in this case, the willingness to buy environmentally friendly products. On the other hand, it is likely that consumers' attitudes towards the environment in relation to items that are dispensable should have a more substantial impact on purchase behaviour (Solomon, 1996). On logical grounds, it could be expected that personal preferences and desires (a product necessity) would counteract the more altruistic and non-self-centered motives contained in the "ideal" attitudinal view. Performing firms are less likely to engage in socially responsible behaviors. Similarly, the impact of firm financial performance has been shown to impact perceptions of social responsibility as financially superior firms may appear to be more socially responsible than their economically-depressed counterparts (Brown & Perry, 1994).

2.5 Importance of Green Marketing

The purpose or importance of going green is to use products and methods that would not negatively impact the environment through pollution or depleting natural resources Robinson (2008). Clem (2008) adds that going green reflects a social consciousness around saving and advancing the earth's natural resources, preserving and protecting them for the sake of civilization. As customers become more aware of the environmental issues there is increase in the demand for ecological products. This

increased awareness of and sensitivity towards environmental issues places certain demands on business functions to become greener.

Further, research suggests that the impact of socially responsible initiatives on stock price are directly associated with any positive or negative effects of the initiatives (Alexander & Buchholz, 1978). The findings suggest that the stock market is efficient, thus any positive or negative effects of socially responsible initiatives will be immediately reflected in the price of the stock. The recent oil spill by BP sheds light on the potentially devastating impact that the lack of green practices can have on the short- and long-term performance of the firm, as BP's stock price and credit rating have plummeted (Guitierrez, 2010). Going green therefore, is important for the future of the economy and civilization. Companies going green can provide necessary leadership in the green movement, work wonders for the environment, significantly improve their bottom lines and show they are excellent citizens.

2.6 Effectiveness of Green Marketing

Ottman (1997) has suggested various strategies that may help companies to make reasonable progress toward environmental oriented business philosophy. Undertaking environmental audit to assess current performance, being proactive by going beyond what is expected, being a visible CEO who demonstrates commitment to environmental issues, empowering employees on environmental issues and constantly integrating, learning , refining products and services and regularly reporting an environmental performance through annual reports and special advertising and public relation efforts.. This is the adoption of eco-marketing orientation as a business philosophy.

Stuart Hart explains the imperative of sustainable development and provides a framework for identifying the business opportunities behind sustainability. He observes that when greening becomes part of the strategy, opportunities of potentially staggering proportions open up. A number of companies are moving in that direction, BASF for example is locating its manufacturing plant near to warehouses to make recycling of waste feasible, and Xerox is reusing parts from leased copiers on new machines (Hart, 1997).Wal-Mart is committed to building a new prototype that will be 25% to 30% more efficient and produce 30% less greenhouse emissions than current stores within the next few years (Carder, 2005).

Vindigni et al (2002), pinpoints that there is a growing demand for organic foods. The growth is expected to continue in the coming years. As this window of opportunity, organizations are increasingly targeting consumers who are concerned about the environment (Chad, 2000). In 1989, 67 percent of Americans stated that they were willing to pay five to ten percent more on ecologically compatible products and by 1991, environmentally conscious were willing to pay between fifteen to twenty percent more for green products. (Laroche et al, 2001).

2.7 Green Marketing and Retailing

Stern (2008) aptly states that green retailing is the conscientious retailing built on environmental sustainable, socially responsible and economically profitable business practices. Such practices explicitly consider the impact of a retailer's action on the environment and community, customer perception and behavior and employees, suppliers and ultimately, shareholders returns. Green retailing incorporates availability, display and promotion of green products, sustainability practices in the retail stores and ethical business practices (Prashant, 2013).

Consumers, at present, look for and pay logical attention to environmental actions and practices of companies. This has increased the demand of environmentally friendly business activities and green products in the market (Gam, 2011, Phau&Ong, 2007). Companies launch their products redesigned to have least environmental impact (Jones et al, 2007, Bergstrom et al, 2005) which are intended to develop their positive image in the minds of environmentally conscious consumers. In this attempt, innovative role of retailers has increased in showcasing their green products and communicating their environmental practices. There has been considerable pressure on the retailing industry to adopt green practices in the recent times. This pressure can internally be from employees who expect healthy working environment and also externally by communities that expect organizations to behave in a more responsible way as the retail practices have local impact.

Durieu, as quoted in Jones et.al (2005), recognizes the pivotal role of retailers. He argues that retailers can actually influence changes in production processes and consumption patterns and are well positioned to exert pressure on producers in favor of

more sustainable consumer choice. As Prakash (2002) points out that “firms can ‘green’ themselves” in three ways: value addition processes (firm level), management systems (firms level), and /or products (product level). Retailers being the link between consumers and manufacturers can significantly influence the consumption patterns of consumers and those of production processes of suppliers hence are best suited to initiate sustainable practices.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the proposed research method that was used. This includes the research design, target population, data collection and techniques for data analysis.

3.2 Research Design

Kothari (2007) defines research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy procedure. This research used descriptive research design approach which involves acquiring information about one or more groups of people about their characteristics, opinions, attitudes or previous experiences by asking the questions and tabulating their answers (Gay and Airasian, 2003). The study sought to determine what green marketing practices, are adopted by supermarkets in Nairobi, which fits into the design, Mazrui (2003), Everyne (2013) and, Kamanu (2004) used descriptive study in their related studies.

3.3 The Population

The population of interest was all the supermarkets companies in Nairobi's CBD. The study was carried out on all the 10 supermarkets found in Nairobi's CBD (see appendix ii). For the purposes of this study, a census study was conducted due to small size of the population. Gay and Airasian (2003) have offered the following guidelines for selecting a sample size; for small populations (with fewer than 100 people or other units), there is little point in sampling and therefore a survey the entire population is recommended.

3.4 Data Collection

Primary data was collected using semi-structured questionnaire (see appendix 1). The questionnaire was administered using drop and pick method. Marketing managers for the respective supermarkets were targeted for interview. Given that, this method of

administering questionnaires usually has low response rate, visits was made to the premises to persuade them to respond to the questionnaires. The questionnaire is divided into three sections. Section one consists of demographic information, Section two has questions on the extent of adoption of green marketing practices and the factors that influence adoption. Section three contained questions that address the benefits gained as a result of adoption of the green marketing practices.

3.5 Data Analysis

Data analysis involves reducing the accumulated data to manageable size, developing summaries and looking for patterns and applying statistical techniques. Descriptive statistics was used to analyze the data. Section one contains the demographic information and data was analyzed using frequencies and percentages. Section two focused on the extent of adoption of green marketing practices by the respondents' organizations and the factors that influence adoption of green marketing practices, this data was analyzed using frequencies and percentages, means and standard deviation. Section three contains benefits as a result of adopting green marketing practices which was analyzed using mean score tabulations and standard deviation. The Statistics Package for Social Scientists (SPSS) program was used to analyze the data and output presented in form of tables, pie charts and bar graphs

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTERPRETATION

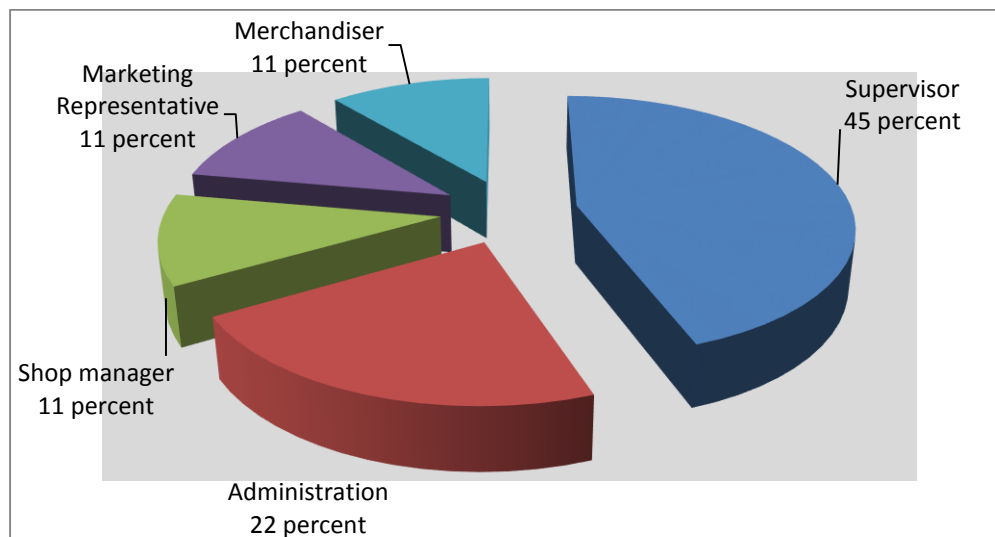
4.1 Introduction

This chapter presents data analysis, findings, interpretation and presentation. The purpose of the study was to investigate the green marketing practices by supermarkets in Nairobi Central Business District, Kenya. The researcher targeted 10 supermarkets out of which 9 respondents filled and returned the questionnaire making the return rate to be 90 percent. Data was analyzed using SPSS and presented through tables. The chapter is organized into several sections based on the research objectives.

4.2 Demographic Information

This section was based on respondent's position in their respective company, the ownership of the company, duration the company has been in operation as well as the size of the respondent's company market share as shown in figure 4.1.

Figure 4.1: Position in the Company



Source: Author (2014)

Figure 4.1 indicates that 45 percent of the respondents were supervisors in their respective supermarkets with 22 percent being administrators. Other respondents indicated their positions as shop managers (11 %), marketing representative (11 %) and

merchandisers (11%). The position of the respondents was important for the researcher to establish whether respondents had capacity to address the research questions.

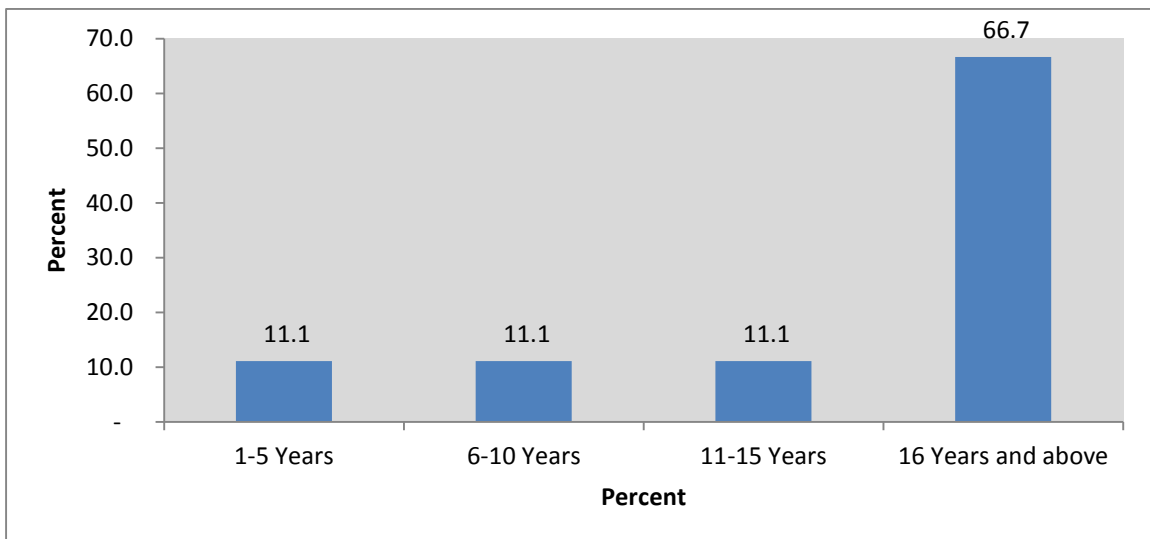
Table 4.1: Ownership of the Company

Ownership of the Company	Frequency	Percent
Predominantly Local (51 percent or more)	8	88.9
Balanced between Foreign and Local (50/50)	1	11.1
Total	9	100.0

Source: Author (2014)

The study revealed that, majority (88.9%) of the supermarket in Nairobi central business district are predominantly local with only 11.1 percent balancing between foreign and local s illustrated in table 4.1.

Figure 4.2: Length of time the Company has been in operation



Source: Author (2014)

On the duration the respondent's organization has been in operation, majority (66.7%) of the supermarkets were found to be in operations for 16 years and above with the remaining 33.3 percent being in operations for less than 16 years. This implies that most supermarkets in Nairobi have been in operations for quite long and thus understand the phenomena of green market well.

Table 4.2: Size of the Company's Market Share

Size of the Company's Market Share	Frequency	Percent
Below 10 percent	2.0	22.2
Between 10 percent and 30 percent	2.0	22.2
Between 31 percent and 50 percent	5.0	55.6
Total	9.0	100.0

Source: Author (2014)

From the findings, majority (55.6%) of the respondents estimated that, the market share for their respective companies was between 31 percent and 50 percent while 22.2 percent approximated the share to be 22.2 percent. Others (22.2%) however disclosed that the market share for their company was below 10 percent.

4.3 Extent of Adoption of Green Marketing

This section was based on whether the respondent's supermarket was aware of green marketing practices, the core reason for going green; the extent to which the supermarket has done in pursuit of adoption of green marketing practices and the frequency to which green marketing practices influence consumer buying of products and services as well as the plans and actions the respondents supermarket take to implement green marketing.

Findings indicated that all (100%) of the management of supermarkets in the CBD of Nairobi are aware of the green marketing practices as well as the requirements for green marketing.

To establish the core reason behind supermarkets going green, Likert scale was used with high means expressing high prevalence level and high standard deviation showing the level of agreement. Table 4.3 below illustrates the reasons for going green.

Table 4.3: Core reason for going green

	Mean	Standard Deviation
Environmental Conservation	3.56	0.83
Green products are more profitable based on their pricing	3.11	0.87
To comply with the existing environmental policies	3.11	0.57
Demand for green products is high as compared to that of others	3.00	0.67

Source: Author (2014)

Findings indicate that environmental conservation is a core reason behind supermarkets going green with mean of 3.56 and standard deviation of 0.83. Other reasons that are moderate reason for going green include the contention that green products are more profitable based on their pricing (mean = 3.11 and standard deviation = 0.87); to comply with the existing environmental policies (mean = 3.11 and standard deviation = 0.57) as well as the demand for green products is high as compared to that of others (mean = 3.00 and standard deviation = 0.67).

Table 4.4: Frequency to which the supermarkets have engaged in the green marketing practices

	Mean	Standard Deviation
Product packaging	4.78	0.63
Disposal of Waste Products	4.56	0.96
Educating Customers on Environmental Matters	3.67	1.89
Participation in Environmental Cleaning	3.44	1.17
Production of Posters and Advertisements Reflecting Environmental Concern	3.22	1.69
Sponsoring Environmental Conservation Activities	3.89	0.87
Incorporation of Environmental Concern in Your Marketing Practice	4.78	0.63
Embed Environmental Concern in Your Supermarket Values	4.44	1.26

Source: Author (2014)

The researcher also wanted to know how frequent the respondents' supermarkets do engage in the green marketing practices to influence consumer buying of products and services. Mean and standard deviation were used where the higher the mean the higher the frequency of engagement in the green marketing practices. The higher the standard deviation, on the other hand implied that the deviation of responses from the mean was small and thus high degree of agreement. The opposite is also true. From the findings, product packaging was the most frequently green practice engaged on by the supermarkets with mean of 4.78 and standard deviation of 0.63. Other frequently practiced green marketing included incorporation of environmental concern in the supermarket marketing practice (mean = 4.78; standard deviation = 0.63); disposal of waste products (mean = 4.56; standard deviation = 0.96) and embedding environmental concern in the supermarket values (mean = 4.44; standard deviation = 1.26) as well as sponsoring environmental conservation activities (mean = 3.89; standard deviation = 0.87). The least practices were however found on production of posters and advertisements reflecting environmental concern (mean = 3.22 and standard deviation = 1.69).

On the plans and actions taken to implement green marketing, respondents expressed that their respective company were on the course to implement digital marketing as opposed to paper marketing; encourage customers to buy in less polythene and suppliers to supply in biodegradable packages; green marketing and encouraging disposable and brown paper package; proper disposal of waste and recycling; sales of waste papers for recycling and use of materials through packaging. Other plans included sponsoring planting of trees within Nairobi, use initiative called green Wednesday by the Nakumatt Supermarket whereby customers bring back used plastic bags for recycling at some incentives and use of recyclable and biodegradable packaging materials as well as using disposable methods of advertising and marketing especially brown paper and digital media.

4.4 Benefits of Green Marketing to Supermarket

This section was based on the extent to which some statements concerning the benefits the respondents respective supermarkets has enjoyed as a result of adopting the green

marketing practices and the extent to which the respondents rated the benefits arising out of the green marketing practices.

Table 4.5: Benefits enjoyed by the supermarkets through green marketing practices

	Mean	Standard Deviation
Command a Bigger Market Share	4.00	1.00
We Command a Successful Market Niche	4.38	0.86
We Enjoy Low Cost Advantage	3.63	1.32
We Have Developed Strong Marketing Ability	4.25	0.66
We Have Developed Strong Capability in Research	4.50	0.87
Have Reputation in Product and Service Quality	5.13	0.78
Acquired a Strategic Position in the Market	4.78	0.92
Have Reduced Migration to Substitutes	3.88	0.78
Have an Aligned Retail Performance Measure	4.63	0.86
Clear Product Differentiation	4.63	0.99

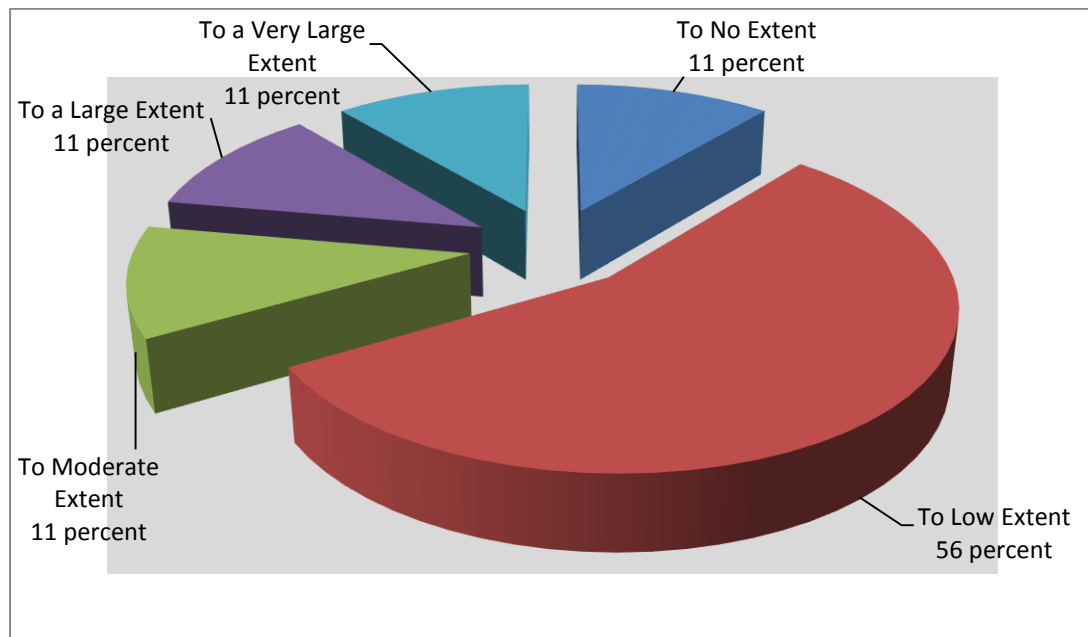
Source: Author (2014)

A 6-point Likert scale was used to analyse the benefits where a score of 6 represented strong agreement with a score of 1 awarded to a strong disagreement. Mean and standard deviation were then computed. From the results, respondents said that as a result of adopting the green marketing practices they enjoyed most having reputation in product and service quality (mean = 5.13; standard deviation = 0.78); acquiring a strategic position in the market (mean = 4.78; standard deviation = 0.92) and having an aligned retail performance measure (mean = 4.63; standard deviation = 0.86) as well as having clear product differentiation (mean = 4.63; and standard deviation = 0.99).

The study reveals that, firms that have a green orientation are likely to achieve greater financial gains, market share, high levels of employee commitment, increased firm performance, and increased capabilities. This is supported by Luo & Bhattacharya (2006) who suggest that socially responsible actions lead to increased customer satisfaction and greater firm value and can reduce undesirable firm-idiosyncratic risk, which can lead to greater firm valuations. As indicated by Aragón-Correa *et al* (2004),

managers with high levels of managerial responsibility demonstrating responsibility for environmental matters are the most effective in improving buy-in from others involved in the process achieving such commitment from management is not always guaranteed and therefore management has to recognize the importance of environmental issues to stakeholders, and the benefits offered from such a strategy, it is likely that they will not champion new environmental initiatives (Klassen, 2001).

Figure 4.3: Rating the benefits supermarkets get from green marketing practices



Source: Author (2014)

As indicated in Figure 4.3, 11% benefited to a very large extent as a result of green marketing practices with 56% benefiting to a low extent. The purpose or importance of going green is to use products and methods that would not negatively impact the environment through pollution or depleting natural resources (Robinson, 2008). Clem (2008) adds that going green reflects a social consciousness around saving and advancing the earth's natural resources, preserving and protecting them for the sake of civilization.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations. The chapter also gives suggestions for further study.

5.2 Summary

Findings indicated that all (100%) of the management of supermarkets in the CBD of Nairobi are aware of the green marketing practices as well as the requirements for green marketing. environmental conservation is a core reason behind supermarkets going green with mean of 3.56 and standard deviation of 0.83. Other reasons that are moderate reason for going green include the contention that green products are more profitable based on their pricing (mean = 3.11 and standard deviation = 0.87); to comply with the existing environmental policies (mean = 3.11 and standard deviation = 0.57) as well as the demand for green products is high as compared to that of others (mean = 3.00 and standard deviation = 0.67).

The study also found that product packaging was the most frequently green practice engaged on by the supermarkets with mean of 4.78 and standard deviation of 0.63. Other frequently practiced green marketing included incorporation of environmental concern in the supermarket marketing practice (mean = 4.78; standard deviation = 0.63); disposal of waste products (mean = 4.56; standard deviation = 0.96) and embedding environmental concern in the supermarket values (mean = 4.44; standard deviation = 1.26) as well as sponsoring environmental conservation activities (mean = 3.89; standard deviation = 0.87). The least practices were however found on production of posters and advertisements reflecting environmental concern (mean = 3.22 and standard deviation = 1.67).

From the results, respondents said that as a result of adopting the green marketing practices they enjoyed most having reputation in product and service quality (mean = 5.13; standard deviation = 0.78); acquiring a strategic position in the market (mean = 4.78; standard deviation = 0.92) and having an aligned retail performance measure

(mean = 4.63; standard deviation = 0.86) as well as having clear product differentiation (mean = 4.63; and standard deviation = 0.99). Majority (56%) of the supermarkets were benefiting to a low extent as a result of green marketing practices with only 11 percent benefiting a very great extent.

5.3 Conclusions

Deducing from the findings, it is clear that, the findings were collected from the 9 respondents with details of their respective organization. The answers given by the different respondents were almost the same, this might be because they were more knowledgeable about the companies and also they are all situated in the same region hence have almost the same operational strategies.. In addition, on whether the company practices green market, almost all the companies practice green market. From the findings, it's also concluded that, factors making supermarkets opt for green market are such as: in order to conserve environment, to comply with the existing environmental policies, and that demand for green products is high as compared to that of others and green products are more profitable based on their pricing. The most stated option was that of green product been environmental conservation.

As customers become more educated of the importance of environmental conservation, demand for ecological products is on the raise. And because of this increased awareness and sensitivity towards environmentally friendly products businesses are on the spot to become greener. For this reason it is only prudent for businesses to provide enough information to consumers on eco-friendly products to enable them make rational choices in their purchase decisions. Going green therefore provides bottom line cost savings, competitive advantage in the market place and is also important for the future of the economy and civilization. Therefore companies going green can provide leadership in green movement, work wonders for the environment, significantly improve bottom lines and show they are excellent citizens.

5.4 Recommendations

Based on the conclusions the study recommends that the government should create awareness to all supermarkets on the benefits derived from practicing green market in order to make their products more acceptable in the market place and enhance production of environmental friendly products. This should also be extended by the relevant regulatory authorities. There is also need for supermarkets to practice green market through product, price, distribution and promotional strategies. Green marketing should be introduced in all the sectors of the economy to encourage production of products that have least harm to the environment. Laws should be passed to impose stiff penalties on those found to deliberately produce products that harmful to the environment and subsidies to those that comply.

5.5 Suggestions for Further Studies

Given the limitations and scope of this study, the researcher suggests the following for further studies: A replica of the study should be extended to other supermarkets in the country and particularly in the rural set up for comparative purpose .A study on the green marketing practices should be carried out on other sectors of the economy particularly those dealing with fast moving consumer goods, food processing industries to compliment this study. The unique challenges facing green marketing should also be examined as this may unearth some of the reasons why many organizations are not incorporating green marketing in their corporate strategies.

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APPENDICES

Appendix I: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

1. Name of the supermarket _____
2. Name of interviewee _____
3. Please state your position in the company _____
4. Please indicate the ownership of the company using the categories below (please tick one)
 - a) Predominantly local (51% or more) []
 - b) Predominantly foreign (51% or more) []
 - c) Balanced between foreign and local (50/50) []
5. Using the categories below please indicate how long your company has been in operation.
 - a) 1-5 Years []
 - b) 6-10 Years []
 - c) 11-15 Years []
 - d) 16 and above years []
6. Please indicate how big is your market share
 - a) Below 10%
 - b) Between 10% and 30% []
 - c) Between 31% and 50% []
 - d) Between 51 and 70% []
 - e) Over 70% []

SECTION B: EXTENT OF ADOPTION OF GREEN MARKETING PRACTICES

1. Is your company aware of green marketing practices?
Yes [] No []

- a) If no, kindly explain

b) If yes, what is the core reason for going green?

- Use the scale of
- 1-Not at all;
 - 2-Less extent;
 - 3-Fair extent;
 - 4-Large extent;
 - 5-Very large extent

- i) Environmental conservation []
- ii) Green products are more profitable based on their pricing []
- iii) To comply with the existing environmental policies []
- iv) Demand for green products is high as compared to that of others []
- v) Any other – kindly specify -----

2. Please indicate to what extent your company has done in pursuit of adoption of green marketing practices, using a scale of 1-5 below, in which;

- 1- To no extent. []
- 2- To a small extent. []
- 3- To some Extent. []
- 4- To a large extent. []
- 5- To a very large extent. []

3. How frequent does your supermarket engage in the following green marketing practices to influence consumer buying of products and services

Green Marketing Strategies	Continuously	yearly	Semi annually	Quarterly	Not at all
Product packaging					
Disposal of products waste					
Educating customers on environmental matters					
Participation in environmental cleaning					
Production of posters and advertisements reflecting environmental concern					
Sponsoring environmental conservation activities					
Incorporation of environmental concern in your marketing practice					
Embed environmental concern in your supermarket values					

4. What plans and actions does your company take to implement green marketing?

SECTION C: BENEFITS OF GREEN MARKETING TO SUPERMARKETS

1. To what extent do you agree with the following statements concerning the benefits your company has enjoyed as a result of adopting the Green Marketing Practices. Please tick appropriately using the categories below:

Key: Strongly Agree	SA
Fairly Agree	FA
Agree	A
Disagree	D
Fairly Disagree	FD
Strongly Disagree	SD

	SA	FA	A	D	FD	SD
a) Command a bigger market Share	[]	[]	[]	[]	[]	[]
b) We command a successful market niche	[]	[]	[]	[]	[]	[]
c) We enjoy low cost advantage	[]	[]	[]	[]	[]	[]
d) We have developed strong marketing ability	[]	[]	[]	[]	[]	[]
e) We have developed strong capability in research	[]	[]	[]	[]	[]	[]
f) Have reputation in product and service quality	[]	[]	[]	[]	[]	[]
g) Acquired a strategic position in the market	[]	[]	[]	[]	[]	[]
h) Have reduced migration to substitutes	[]	[]	[]	[]	[]	[]
i) Have an aligned retail performance measure	[]	[]	[]	[]	[]	[]
j) Clear product differentiation	[]	[]	[]	[]	[]	[]

2. To what extent do you rate the benefits arising out of your Green Marketing Practices; please use the scale below to indicate.

- | | |
|----------------------|-----|
| a) Very large extent | [] |
| b) Large extent | [] |
| c) Moderate Extent | [] |
| d) To low extent | [] |
| e) To no extent | [] |

Appendix II: List of Supermarkets in Nairobi (CBD)

1. Nairobi mart Supermarket

2. Mathai's Supermarket
3. Eastmart Supermarket
4. Comcom Electronic Supermarket
5. Ebrahim's Supermarket
6. Nakumatt Holdings Limited
7. Tuskys Supermarket
8. Ukwala Supermarket
9. Uchumi Supermarket
10. Naivas Supermarket

Source: Nairobi Business Directory Year 2014.

Appendix III: Letter of Introduction

August 29th, 2014

Dear Respondent

REF: REQUEST FOR RESEARCH DATA

I am a Master of Science (MSc.) student at the University of Nairobi. I am required to submit as part of my course work assessment a research project report on “green marketing practices in Supermarkets in Nairobi CBD”. To achieve this, your organization is one of those selected for the study. I kindly request you to fill the attached questionnaire to generate data required for this study. This information will be used purely for academic purpose and your name will not be mentioned in the report. Findings of the study, shall upon request, be availed to you.

Your assistance and cooperation will be highly appreciated.

Thank you in advance.

Mercy Gakii
MSc. Student- Researcher
University of Nairobi

Appendix IV: Data Output

Core reason for going green

	Not at all	Less Extent	Fair Extent	Large Extent	Very Large Extent
Environmental Conservation	-	11.11	33.33	44.44	11.11
Green products are more profitable based on their pricing	-	33.33	22.22	44.44	-
To comply with the existing environmental policies	-	11.11	66.67	22.22	-
Demand for green products is high as compared to that of others	-	22.22	55.56	22.22	-

Frequency to which the supermarkets have engaged in the green marketing practices

	continuously	Yearly	Semi-Annually	Quarterly	Not at all
Product packaging	88.89	-	11.11	-	-
Disposal of Waste Products	77.78	11.11	-	11.11	-
Educating Customers on Environmental Matters	66.67	-	-	-	33.33
Participation in Environmental Cleaning	22.22	33.33	11.11	33.33	-
Production of Posters and Advertisements Reflecting Environmental Concern	44.44	-	11.11	22.22	22.22
Sponsoring Environmental Conservation Activities	22.22	55.56	11.11	11.11	-
Incorporation of Environmental Concern in Your Marketing Practice	88.89	-	11.11	-	-
Embed Environmental Concern in Your Supermarket Values	77.78	11.11	-	-	11.11

Benefits enjoyed by the supermarkets through green marketing practices

	Strongly Agree	Fairly Agree	Agree	Disagree	Fairy Disagree	Strongly Disagree	No Response
Command a Bigger Market Share	11.11	11.11	33.33	33.33	-	-	11.11
We Command a Successful Market Niche	11.11	22.22	44.44	11.11	-	-	11.11
We Enjoy Low Cost Advantage	11.11		44.44	22.22		11.11	11.11
We Have Developed Strong Marketing Ability	11.11	-	77.78	-	-	-	11.11
We Have Developed Strong Capability in Research	11.11	33.33	33.33	11.11	-	-	11.11
Have Reputation in Product and Service Quality	33.33	33.33	22.22		-	-	11.11
Acquired a Strategic Position in the Market	22.22	44.44	22.22	11.11	-	-	11.11
Have Reduced Migration to Substitutes	-	22.22	33.33	33.33	-	-	11.11
Have an Aligned Retail Performance Measure	22.22	11.11	55.56	-	-	-	11.11
Clear Product Differentiation	22.22	22.22	33.33	11.11	-	-	11.11