Green Marketing and Corporate Social Engagement as Strategy Tools – A Conceptual Framework

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Abstract

"Green marketing" is regarded as a way of reducing costs or targeting eco-sensitive market segments. However, there is fast growth of the conscience for the environmental preservation in all layers of the population—not necessarily among consumers willing to pay more or to accept less product benefits to obtain green products. Literature has been seeking explanations for such managerial behaviors in altruism, not just in terms of actions of environmental protection, but also in relation to many corporate social behaviors. However, altruistic explanations do not answer conceptually to competitiveness losses imposed by economically non-justifiable expenses. This paper makes a conceptual analysis of the literature, looking for ethical reasons for the practice of social actions, to conclude that a framework in which environmental protection actions are source of competitive advantage in the fight for the consumer may well explain corporate engagement on green marketing —as well as corporate social behavior in general.

Key words: green marketing; corporate social responsibility; environmental strategy.

1. Introduction

"Green marketing" is a theme that pervades the daily life of decision makers in a number of organizations. Managers are constantly faced with having to decide whether and up to what extent they should invest in environmentally responsible attributes for their products (such as biodegradable packaging) or in environmentally responsible actions of their organizations (such as adoption of energy conservation measures in a store). A lack of investment may represent hard to overcome threats to the corporate image, hard to recover losses of markets, reduction of support by stakeholders, and consequently the eventual death of the organization (Wood, 1991). In the other extreme, overinvestment in environmental actions may result in reduced competitiveness, given higher incurred costs. This is reason for concern in corporate world (e.g., Levin, 1993). Executives face a "fundamental decision, to be ahead or behind the competition; it is a hard decision: to be ahead may mean higher costs of production, leaving the firm vulnerable to the competitors" (Walley & Whitehead, 1994).

The term "green marketing" has been used in the academic and managerial literature with a broad meaning. This paper adopts a somewhat focused meaning, to encompass any kind of action which involves a higher level of environmental protection or concerns than usually practiced. This may enhance the likelihood that a consumer will choose a particular brand or product. In retailing, for instance, "green marketing" can be viewed as including measures that involve different aspects of the retail mix. E.g., making a store more friendly to the environment (such as by using non-CFC refrigerating equipment), or by selling "green" products (such as clothes colored with environmentally harmless dyeing process), or simply paying attention to the environment (such as providing plastic or paper bags, or buying back beer cans).

Under a strategic perspective, there are two different situations for which the decision problem of adopting "green actions" has a natural solution. The most obvious occurs when the environmentally protective investment results in a direct or indirect reduction of costs.

Turning off the lights of a store at night for energy conservation saves money from the utility bill. Furthermore, attempts to control pollution sources or to save energy induce actions of re-engineering of the technology and re-studies of processes that may well contribute to lower costs and to improve quality (Porter, 1991). Such cases direct the problem to the area of production management.

The other kind of situation refers to the case in which a specific group of consumers sensitive to environmental matters is targeted. These consumers may be willing to pay more for the environment friendly products—e.g., "ecotourists" reported they will pay up to 8.5% more for environment friendly "ecotels" (Rushmore, 1993). Market segmentation is the framework to study these cases and to point out how far these markets are worth exploring—Body Shop, an example of a retailer targeting eco-sensitive consumers, had a period of big growth. However, the company is reported to be facing increased competition in the US market and found the UK market nearly saturated (Conlin, 1994).

Conversely, there are many cases in which the decisions on if and how much to spend on green marketing do not fall into these two situations. For instance, the retailing discounter Walmart invested an additional $6 per square-foot in a new store with expectations of recovering only part of this investment through cost reduction (Wieffering, 1993). Furthermore, environmental consciousness does not necessarily translate into a higher likelihood of consumers putting more effort in selecting a green product or a green service provider (e.g., Watkins, 1994). A portion of the American consumers are environmentally indifferent and would buy green products only if they are perceived as the best price or quality option, even though the majority of the population has explicit concerns for the environment (Schwartz & Miller, 1991). Therefore, in between the adoption of measures that reduce costs and the exploration of a specific market segment of consumers willing to pay at least for cost increases, there are a number of decisions requiring an alternative explanation. The objective of this paper is to develop a framework capable of dealing with such situations, under a strategic marketing perspective.

Literature on green marketing is scant in American academic journals, in contrast with a very large number of papers and anecdotal publishing in managerial literature. On a more general basis, the theme of environmental orientation is treated under corporate social responsibility, along with many categories of society-related issues, such as *a)* community involvement (including charitable contributions, local sports support, voluntary work programs, etc.), *b)* product safety, *c)* energy conservation policies, *d)* affirmative action programs, *e)* equal employment policies, and *f)* social responsibility disclosure (Roberts, 1992).

Most of the research on corporate social responsibility is found in the management literature, not in marketing. This helps to explain the scarcity of studies on the marketing benefit side of decisions on corporate social responsibility in general, and on green marketing in particular. This paper claims that light can be shed on the green marketing issue by investigating the market related aspects of decisions excluding cost related benefits and green segment exploration. Do so, it intends to help *a)* understanding green marketing actions (and other consumer related socially responsible actions) in the context of corporate social responsibility, and *b)* benefiting the area of corporate social responsibility from a marketing approach.

This paper approaches green marketing and social responsibility as an organization's investment decision, in which costs and benefits relative to consumer assessment are computed—therefore, adopting a marketing strategy perspective. In contrast, as we show later, part of the current research on green marketing—and most of the research on corporate social responsibility—has been conducted by trying to address mainly non-consumer related aspects, attempting to explain observed organizational behavior on the basis of non-profit oriented, altruistic conduct.

We start the review of the literature in the next section by looking at different orientations in the area of business ethics. The subsequent section reviews the directions taken by corporate social responsibility research and the results obtained so far. Following it, we present research that has tried to overcome the dilemma of profit orientation versus altruism, in social responsibility in general and in green marketing in particular. We conclude by proposing a framework for the motivations for a company's green marketing engagement and socially responsible behavior, including consumer related motivations.

2. Profit versus Altruistic Explanations

Observed organizational behavior, such as patronizing green marketing activities (in particular) and corporate socially responsible actions (in general), often falls in a range in which no explanation can be directly attributed to cost reduction nor profitable exploration of a cause-sensitive market segment.

Non-profit explanations have been developed in studies on green marketing (e.g., Bansal, 1994c) and on corporate social responsibility theory (e.g., Graves & Waddock, 1994). The roots for the search of such class of explanations—non-profit oriented—and of the alternative—profit oriented type of explanations—can be found in the two prevalent theories of ethics in moral philosophy: deontological and teleological.

2.1 The deontological view

According to Hunt and Vitell (1986, p.6), "the key issue in deontological theories is the inherent righteousness of a behavior," thus the problem becomes one of determining "the 'best' set of rules to live by." Laczniak (1983, cited in Hunt & Vitell, 1986) applied a deontological framework to marketing in which marketers should have "fidelity, gratitude, justice, beneficence, self-improvement and non-injury" (p. 6) as priority duties constituting moral obligations. Environmental preservation and community concerns can be added to these duties, bringing the issue closer to green marketing and corporate social responsibility. Deontological ethics permeates western society—e.g., the American Bill of Rights (Robin & Reidenbach, 1987)—including corporate behavior viewed as driving non-profit explanations for socially responsible behavior.

2.2 The teleological approaches

Teleologists are concerned with the righteousness of the consequences of the behaviors: "a behavior is ethical if it produces a greater balance of good over evil than any available alternative" (Hunt & Vitell**,** 1986, p.6). Depending on whose good is to be promoted, a different teleological theory shows up. The utilitarian theory in moral philosophy represents the case in which the behavior is ethical if its consequences result in the greatest good for the greatest number. This implies weighting in all the benefits and costs of the behavior (Robin & Reidenbach, 1987). This view leads to a way of determining which behavior is ethically acceptable in a less complex way than in deontological theories: It simply involves the maximization of the net value of benefit minus costs. So, under the utilitarian moral philosophy, ethics can define a socially responsible behavior by simple maximization. However, there are problems associated with this ideal: The main criticisms relate to the lack of rules of distribution of the "good" produced by the behavior, to the difficulty in measuring the good, and most importantly to the definition of whose good is to be maximized (Hunt & Vitell, 1986). If the good of the whole society is the one to be maximized, corporate social responsible behavior can be regarded as a direct consequence of utilitarian ethics—this could be labeled as "societal" utilitarian ethics. In this case, environmentally protective actions would be a simple consequence of maximizing the total social benefit over cost across the whole society in the long run. Costs associated with green marketing would be paid by consumers as members of society. We think that this view is too simplistic, because it assumes that society has a perfectly shared understanding that the good of future generations is as valuable as that of the present generation.

In the same venue, one could use a utilitarian approach to justify any kind of apparently not-for-profit socially responsible endeavor, as long as a sufficiently large system is considered. It would include a sufficiently large number of social agents (such as firms, consumers, etc.) for whom the good will be generated. The difficulties with this kind of approach remain the measurability and, particularly, the distribution of such good.

2.3 A proposal to incorporate a strategic perspective

In an attempt that goes a step further on the issues of measurability and distribution of results, Robin and Reidenbach (1987) proposed an approach to close the gap between the concept and the practice of social responsibility and ethics in marketing. They incorporate social responsibility and business ethics into the strategic marketing planning process. The objective of doing so would be to balance the basic assumptions of the organizations culture—profit and efficiency—with ethical core values. The reason Robin and Reidenbach provide for using strategic marketing planning process lies in the fact that the marketing mission thus generated can be "tested against marketing's publics and monitored for its appropriateness as the organization and its environment change" (p.49). We interpret that this inherent ability of marketing warrants that the utilitarian problems of measurement and distribution of results would be overcome. The second step of the authors' suggestion was to blend the two moral philosophy streams on ethics by using the Aristotelian principle of virtue when weighting the individual good (deontological view) against the common good (utilitarian view). The use of this process of combining the marketing strategy with social responsibility and ethics is helpful to the extent that it intrinsically includes a market evaluation of the socially responsible action. However, we understand that two questions remain open:

(1) The idea of moderation (in the principle of virtue) does not solve the question of to what extent a deontological or an utilitarian theory should prevail in the decision, because it lacks a baseline to which the decision maker can compare the levels of effort or investment that shall be made (e.g., what is "moderate" in terms of providing a convenient versus a totally reusable grocery packaging? Or at what temperature should the store thermostat be set?

(2) When marketing monitoring and testing are performed to select the actions proposed by the ethically oriented organizational culture, they will naturally end up selecting those marketing actions adequate to the "green" marketing segments, because the firm is profit driven and these are the segments willing to pay for the extra "green" cost (or similarly with the corresponding segments sensitive to the other socially responsible behaviors). The inclusion of ethically motivated issues in the marketing planning by itself does not provide any mechanism to take into account the "fuzzy" demand for social responsible behaviors from consumers who are not explicitly willing to pay for them, as mentioned in the introductory section.

The difficulties of Robin and Reidenbach's view are derived from the fact the authors essentially assume that the good of the whole must prevail, as they assume that ethical core values shared by society are supposed to direct the strategic marketing planning, even if moderated by the individual good through the principle of virtue. Despite these problems, the strategic perspective presented by the authors has the merit of solving the problems of measurement and distribution of results (profits are the objective of the firm's strategic plan).

This paper claims that market mechanisms contemplated by the marketing concept are enough to provide a utilitarian explanation for green marketing behavior, even if only the utility of the firm is taken into account. I.e., maximization of the firm's profits is sufficient to explain green marketing actions and many corporate socially responsible behaviors that apparently hurt the profits of the firm, as long as a marketing perspective of satisfying the needs of the consumer is observed. The only missing theoretical aspect would then be a way to account for the consumer reaction to the marketing actions, in relation to their social responsibility makeup. If this can be understood, there is no need to rely on justifications for socially responsible behaviors that rely only on ethical, non-profit oriented reasons. In our point of view, the utilitarian tradition can be applicable to the restricted regard of the firm itself: The adoption of socially responsible behavior, including environmentally responsible actions, is of best interest of the firm, as it maximizes its profits. The incorporation of demands for socially responsible behavior in the marketing strategy as a source of competitive advantage can be done in the way we propose later in this paper.

We argue in this paper that a utilitarian view focusing on the firm's good can be elected if corporate social responsibility (CSR) is regarded as a specific way of obtaining competitive advantage in the marketplace via positioning it as a marketing strategy competitive source.

3. Corporate Social Responsibility

Corporate social responsibility constitutes an area of research to which attention has been devoted since the early 1960's, primarily by management researchers. The definition of what they understand by corporate socially responsible behavior encompasses a variety of activities ranging from the firm's profit making (Friedman, 1962) to voluntary activities (Manne & Wallich, 1972).

Corporate social responsibility's activities are seen as the "policies or actions that identify a company as being concerned with society-related issues" (Roberts, 1992, p.595). A slightly more precise definition says that "a socially responsible firm is one that accomplishes—and is perceived to accomplish—the desired ends of society in terms of moral, economic, legal, ethical and discretionary terms" (Murray & Montanari, 1986, p.816). Such definitions are broad enough to admit profit and non-profit orientated views, but do not help much in providing direction to a firm's management. Both views require the behavior to be perceived as socially responsible. As this paper develops below, this is essential in exposing the role of consumers as the *locus* for the ultimate explanation for CSR behavior.

3.1 The stakeholder theory

Authors who rely on the non-profit oriented views of CSR normally use the stakeholder theory to answer to the question of who perceives the socially responsible behavior. Though Ansoff (1965) first used the term "stakeholder" in a strategy context, Freeman (cf. Robert, 1992) used it in CSR context. Freeman (1984) defines stakeholders as any group or individual who can affect or is affected by the achievement of a firm's objectives.

Stakeholders of the firm include stockholders, employees, creditors, suppliers, customers, public interest groups (including environmental advocates), and the government. Freeman (1983) categorized stakeholders in two types. Management and approval of groups whose support the firm depends to exist (stockholders, employees, creditors, suppliers, and customers) lead to a planning and business policy model that defines corporate strategic objectives. For Freeman, in contrast, corporate social responsibility is developed after a second category of stakeholders—those representing social interests or detaining regulatory power (such as government). The relative power of each group is the utmost drive for the importance given by the management of the firm in meeting stakeholder demands in order to achieve its strategic objectives.

Much research has been made on stakeholder management, particularly in relation to the so-called social issues management—SIM (for an extensive list, refer to Wood, 1991, p.704-705). It is surprising that the large body of literature thus generated—mostly in management, finance and economics—deals with all of the stakeholder groups but one—consumers. To give a few examples, there has been research on CSR and *a)* devices used in employee relations (Morris et al., 1990), *b)* shift in risk related to reaction of regulatory agents (McGuire, Sundgren, & Schneeweis, 1988), *c)* stockholdings by institutional owners (Graves & Waddock, 1994), *d)* the disclosure of CSR behavior to a variety of groups (Roberts, 1992). Additionally, Wood (1991) mentions subject areas including international corporate political action (e.g., boycotting former South African apartheid), corporate philanthropy, community relations, responses to activist pressures, ethical investing, and business-government relations, among others. Consumers as stakeholders seem to be left out of the studies on CSR. The exception, maybe, would be studies on green marketing, but even in them a great deal of attention is placed either on the demands of society as a whole, via groups of interest, or on the demands of eco-concerned consumers.

Freeman's objective in developing the stakeholder theory was to overcome the polarization between profit and altruism as opposite explanations for CSR behavior (Freeman, 1983). His contribution on the separation of the publics that can be affected or can affect the organization helps tracking the immediate target of CSR behavior. Particularly, CSR behavior can be intended to enhance the firm's access to the resources it needs for survival, such as capital (investors and lenders), labor (present and future employees), goods or services (suppliers), and revenues (consumers). In contrast, Freeman postulates that other groups' interests shall also be taken into account in the firm's strategic planning, justifying not-for-profit CSR actions. However, including such interests in the strategic plan is ultimately computing these stakeholders ability to affect profitability. In fact, Freeman is driving away from the non-profit approach in which what moves the firm to socially responsible actions is a pretense concern for the good of the whole. Most importantly, his approach lacks explicit considerations on the cost of the actions and the competitive environment faced by the organizations. The need to be competitive in the market place puts a greater importance on the consumer as a stakeholder of preferential emphasis in the creation of competitive strategy, which does not seem to be weighted in the literature.

3.2 The stakeholder "consumer"

The stakeholder framework has played a widespread role in the development of a theory for CSR actions (Menck & Oliveira, 2104), if for nothing else, just by recognizing that the firm has to deal with several groups with diverse interests. Some of CSR actions with respect to specific stakeholder groups can be explained as a cost reduction issue. When no immediate cost reduction can be assessed, non-profit oriented explanations tend to prevail.

In our view, however, the main and most immediate reason for the firm adopting such (costly) actions can be more realistically found in the fulfillment of the demands of the consumer, who ultimately provides the means needed to pay for the resources that keep the organization alive. Furthermore, instead of looking at adopting CSR actions for specific stakeholders as an end, they can be seen as means to meet consumer demands. This view is depicted in Figure 1. In this view, the consumer needs represent not only the most important and readily identifiable drive for CSR behavior, but also a shortcut to capture the effect of other groups of stakeholders.

In this conception, the general ethical social principles of society are object of response by the corporation only indirectly, by two different mechanisms. One is the regulatory action of the government, which receives pressure from the diverse public interest groups. Since such regulatory action does not provide a strategic differential for any of the players in the market, we consider it beyond the scope of this paper. The other mechanism works via consumers, either through education and enculturation of values or by peer pressure, but always affecting consumer demands, which will drive the firm's behavior in the end.

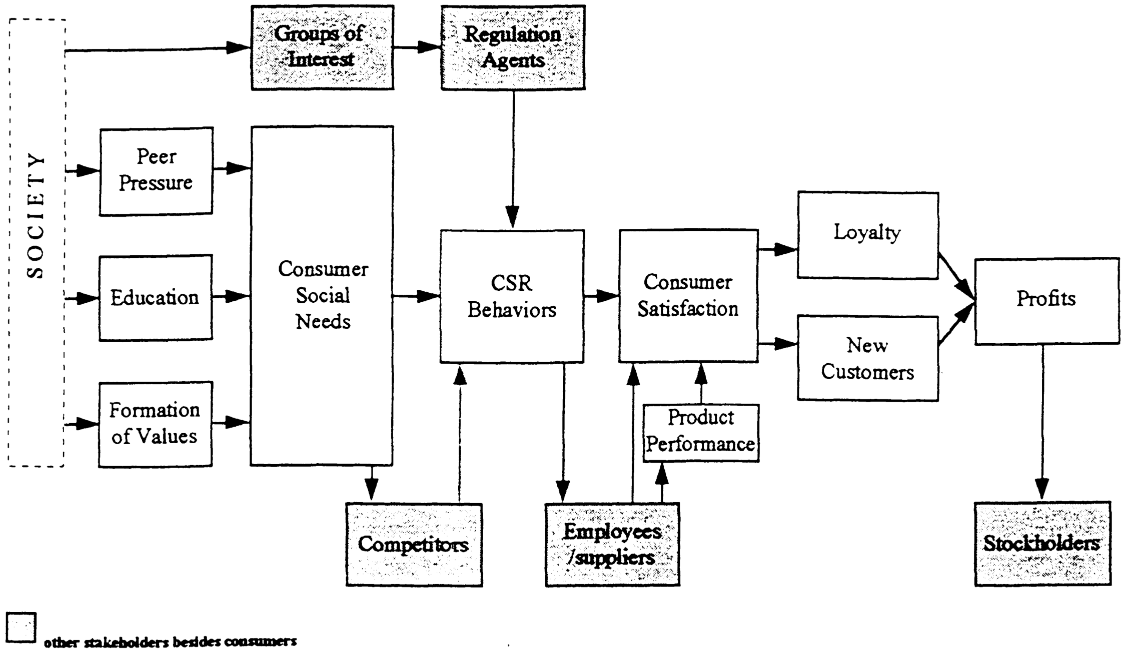

Figure 1 CSR Behavior as a Consequence of Consumer Needs and Regulation

In this model, CSR behavior is driven essentially by consumers' social needs. The way consumers perceive their role in society influences their choice of a product or brand among the various competitors in the market. The influence of the competitors on CSR behavior happens mainly by their ability to realize and to respond to consumers' social demands. E.g., Bansal (1994a) observed a high level of preoccupation with the competitors' CSR actions among UK retailers.

It is the firm's ability of drawing and keeping consumers (which is best accomplished by satisfying their needs, including social need) that is perceived by stockholders as a valuable source of returns. Even CSR actions directed to employees can be regarded as ways to reach the consumer directly or indirectly. Directly, because it can be argued that an employee more identified with the firm will provide a better product (which is particularly important when the product involves a great deal of personal service), or indirectly, because consumers would prefer to sponsor firms who treat fairly people who are just like them. Furthermore, in the specific case of retailers, community relations' programs end up reaching not only employees, but also the community of consumers located in the stores' trade areas.

The importance of the consumer as the drive for CSR behavior can be illustrated with the example of ice-cream makers Ben & Jerry's. This company relied in the flag of activism to become a major player in the premium ice-cream market. Under the banner of activism, they have been able to market their brand using many themes that can be seen as socially responsible, from environmental issues (such as "save the rain forest" and neighborhood clean-ups) to non-traditional managerial practices (such as selecting and hiring a CEO in an open national contest), with fair relations with suppliers in the middle (such as sustaining the price of milk for small Vermont producers in a time of excessive production). What impresses the most in these actions is their extensive publicizing, targeting a market of ice-cream consumers which is far greater than the activist segment. Their apparent success in doing so is a demonstration that behaving in a socially responsible manner with respect to a series of stakeholders can have different connotations for the consumer. A large proportion of Ben & Jerry's consumers may not be touched by activism, but possibly trust an ice-cream made by a company which seems to be so socially concerned (certainly, the use of harmful ingredients would not match such an image).

The advantage of having consumers as the ultimate objective for CSR actions lies on the justification for the expenditures related to the actions. Consumers pay for what they get. So, an action that enhances the ability of the corporation to compete for their money is strategic. The literature brings previous attempts to link CSR behavior with the firm's strategy, still keeping the approach of assessing several stakeholders. However, in a competitive environment the issue of the firm's limitation of resources imposes a barrier for CSR engagement. Unless consumers pay for it!

3.3 The alternative explanation of Ullman's theory

Our view of Ben & Jerry's case as one of pure marketing strategy (concerned essentially with consumers) can be disputed by the advocates of CSR behavior as a practice that the firms have to undertake in direct regard to diverse stakeholders, given the social function of the firm. As we mentioned above, such point of view presents problems when the firm is placed in a competitive environment, because of the costs associated with CSR actions. These problems arise when the strategic plan is considered. Ullman (1985) perceived that strategy was the missing element in the attempts to relate CSR behavior, disclosure of such behavior and economic performance of the firm. According to Ullman, the absence of strategic considerations underlying the models resulted in methodological problems and in conflicting results.

To overcome the problem, Ullman (1985) proposed a model with three dimensions under a stakeholder framework. The first dimension repeats Freeman's theory of the stakeholder power, and corresponds to the theoretical basis of the model: the firm will provide a social response according to the power of each group. The second dimension brings strategy into perspective, by defining a strategic posture concerning social demands, classified as active or passive. Unfortunately, Ullman does not go beyond asserting that the strategic posture is a manager's decision to achieve optimal levels of interdependence. He does not touch the driving forces of such decision. The third dimension takes into consideration the fact that CSR behavior has a cost, and ties the weight of social demands to the "firm's past and current economic performance". We think that this dimension is not a solution for the problem, as it gives the impression that CSR behavior is a matter of having some kind of discretionary profits available.

Empirical evidence supposedly in support to Ullman's model was sought by Roberts (1992). He showed correlation between an evaluation of corporate social disclosure (as a dependent variable) and measures of strategic posture, economic performance and stakeholder power (measured by management and individual ownership, contributions to political campaigns, and importance of debt—intended to reflect respectively the power of the stockholders, regulatory agents and creditors). Among the explanatory variables related to stakeholders, owners' power showed up to be non-significant, and creditors' power to have only marginal significance. Only regulatory agents' power came up significant. Both economic performance and strategic posture showed up to be significant predictors of corporate social disclosure. We understand that these results do not necessarily support Ullman's model, both because no causal directions were established and a problem of mediating variables may exist, such as the fact that attention to the consumer demands can be motivating strategic posture and social disclosure—leading to differential economic performance.

Despite the difficulties of Ullman's model that we point out, it provides an important contribution in calling attention to the need to consider the strategic competitive component of any explanation for CSR behavior. Empirical research by Cottrill (1990) gives some indication that CSR behavior is a result of the firm's strategy to compete in its market. This study showed that corporate reputation linked to CSR is highly correlated with which industry the firm competes in. The results suggest that companies in industries with more contact with consumers are more sensitive to social issues, therefore caring more about CSR behavior, and thus enhancing their corporate reputation in this respect.

Cottrill (1990) also investigated reputation as a consequence of the level of competition within the industry. He tested the hypothesis that competition and CSR are incompatible, assuming that the latter is essentially a dysfunctional behavior and only firms facing low competition would be able to invest in CSR actions. His results did not support this hypothesis, what was blamed at sampling and measurement issues. We suggest the alternative explanation that CSR behavior can be used as a tool for competing in the market place. This way, the increase in intra-industry competition can well be a factor for increased concerns with CSR, not necessarily a restraining factor.

3.4 Altruism versus Profit and Green Marketing

Altruistic versus profit driven explanations for environmentally protective actions compete as mutually excluding options. This is in the same way Bansal (1994a) intended CSR legitimacy to encompass non-profit motivated pressures for *a)* legislation compliance, *b)* risk management and *c)* stakeholder concerns. In a sense, the idea underlying Bansal's legitimacy is to extend Freeman's stakeholder theory by including the two former elements in a broader category. In spite of Bansal's idea that they are not profit driven, the main reasons she provides to involve legislation compliance with and management of risk are to prevent possible "bad publicity" (Bansal, 1994a).

Hence, these aspects would strongly affect consumers, as they are directly related to profit search—the first effect of bad publicity is to scare away consumers and the associated revenues, though long term effects on other stakeholders are possible. Furthermore, what we discussed above in terms of more direct, more immediate and stronger associations with consumers applies to the third dimension, "stakeholder concerns". Therefore, legitimacy seems to be a good construct to address long term effects of socially responsible behavior on the organization, but cannot overcome the fact that CSR behavior is evaluated by the firm in terms of its impact on the profits, notably through its effects on the consumer.

Furthermore, the explanatory power of the construct legitimacy carries along an apparent difficulty of stakeholder theory: The implementation of legitimacy in a managerial world requires a clean basis to define *how much* shall be spent on green marketing (or on any CSR action). Such difficulty is overcome when one concentrates on the effects of the behavior on the consumer, since in this case the quantification of the lack of green marketing actions is naturally accomplished when the lost revenues from departed consumers are accounted for.

4. The Strategic View

The difficulties above prevent legitimacy from adequately explaining why green marketing actions are adopted by organizations. However, the reason why there is so little empirical evidence that "it pays to go green" (Bansal, 1994c) remains to be answered. We offer an alternative explanation for green marketing actions (and other CSR behaviors) in which the adoption of such actions can be considered as a source of competitive advantage—therefore, a strategic tool for organizations—through their management in regard to building up relations with consumers.

The key elements missing in order to enable viewing green marketing actions as a source of competitive advantage are the notions of *congruity* of values and *continuity* of the firm's behavior.

Congruity of values: Achieving congruity of value is a way to escape avoidance, i.e., to prevent loss of consumers' support. This idea of support loss appears briefly in Bansal (1994a), and is probably the reason research may have failed to capture the reasons why CSR behavior is practiced and believed to be important by managers but is not readily translated into profits. The argument is that if consumers perceive some incongruity between their beliefs and values and the organization's, they will avoid the store or the brand marketed by that organization. The theoretical approach that pervades the idea of congruity of values is the formation of consideration sets, which are constrained sets of stores or products among which a choice is made by the consumer (Alba et al., 1991).

In this framework, a justification for firm's spending money on green marketing (or other CSR behavior) is the objective of being part of the consideration set of the consumer, assuming that environmental protection concerns are shared by consumers. As opposed to strategies built specifically to attract the consumers of the eco-sensitive segment, the drive for congruity of values is to prevent being marginalized by consumers who have environmental concerns among their values, but are not willing to sacrifice other attributes to select a green product or store. Bansal (1994b) provides evidence for such an effect among food retailers in the UK.

Continuity: By continuity, we mean that any action taken in isolation may not be enough to justify itself in a cost-benefit analysis, but the continuous monitoring of market needs, interpretations and relevance, together with the implementation of responses to such needs to create the conditions for congruity between the consumer's values and the firm's. The reason for acting on a continuous basis resides with the dynamic nature of the values that are most relevant to the consumer.

As recently as a few decades ago, consumers were not at all concerned with environmental issues. Moreover, the relevant focus in terms of environmental concerns changes with time and with culture (geographically speaking). Take the example of whale hunting. The problems of species depletion was matter of concerns of scientists as early as the 1930's and the greatest whale harvesting rates occurred in the nineteenth century, when the commercial value of some products were the highest, for no substitutes were available (Graves, 1976). However, only during the 1960's and 70's the environmental concerns of society and of the consumer arose substantially to become an important factor. Were it legal, any supermarket trying to sell whale meat would certainly be out of business, given the reaction of the majority of consumers concerned with preservation.

Nowadays, the scenario would not have changed to any extent, even though no whale species seems to be in danger of extinction (Graves, 1976), but for the reason that the act of killing a whale is not regarded as proper behavior—the same is true with respect to dolphins and its negative consequences for the tuna canning industry are well reported (however, no significant restrictions to having other mammals as protein sources have arisen so far!). Another example, the concerns about using CFC's, constitutes an even more recent issue. Taking an example with other types of CSR behavior, there is the economic recession of recent years bringing new values to society, which evoked Walmart's CSR behavior of "buy American", an action which added to an ongoing history of community and employee "protective" actions by this organization. This is in such a way that the stream of well publicized Walmart's CSR actions may have contributed to the formation of an image on which it builds up a competitive advantage in the battle for consumers.

Besides being necessary to follow their changing pattern of relevancy of consumer values, the continuity is the basis for turning the non-avoidance of a store or a product into a competitive advantage that can be regarded as sustainable. To make it sustainable, the firm has to build a protective barrier against competitors' attacks and increasing customer loyalty can be an effective way to pursue it (Weitz & Wensley, 1993). Monitoring which values are important for consumers and continuously providing responses that send them a message signaling that "I care for what you care" can be an important way to establishing a solid relationship with the customer. We advocate that consumers will be less likely to look for alternative sources for a good or a service when they perceive the source as sharing their beliefs and values.

With the adoption of CSR behavior, a relationship is construed by a mechanism that establishes cultural ties between firms and consumers. In a sense, this view approximates the one exposed by Ouchi (1980). In it, the continuous provision of signals that the firm has interests congruent to the consumers' values provides the necessary condition for the consumer to include the firm in a sort of a clan. Fair policies with the employees, when adequately publicized to the consumers, can be an illustration of the mechanism acting to draw and keep customers. If the firm is successful to be admitted in the "consumer's clan", overprice may be charged, as consumers' price-sensitivity will be somewhat lowered. This may represent a potential of additional profits.

Interplay of actions: Besides the fact that congruity of values represents a strategic motivation and that continuity of behavior represents a strategic process, some insight can be added by taking into account the possibility of interaction among the many different CSR actions: Not only green marketing can be regarded as a profit making strategic tool (given its effect of preventing avoidance), but it has to be looked at as one among many types of possible CSR actions which can be played together to eventually obtain a synergistic effect. A firm concentrating its CSR actions in environmentally related issues would tend to fall in the situation of drawing only consumers from the eco-concerned segment. The adoption of several types of CSR actions could be more effective in passing a message of "I care about what you care" that would enhance the relationship with the consumer in order to create competitive advantage.

The core of the just presented view corresponds to nothing more than the allegation that the marketing concept provides room for explaining green marketing actions and their companion CSR behaviors as a way to satisfy the needs of the consumer. These needs are not necessarily the primary drivers of consumer decisions, but our claim is that they at least play a role in restricting the choice set the consumer is willing to consider, and at best allow for the establishment of consumer loyalty.

5. Conclusion

Green marketing—or any organizational action aimed at environmental protection—is regarded by some either as a way to reduce costs by better use of resources, or as a way to market goods and services to a specific group of consumers willing to pay more for them. However, the existence of a large proportion of consumers who have environmental concerns but are not willing to pay more for them nor losing benefits such as convenience, and the recognition by some corporations that they adopt environmentally responsible actions not directly linked to observable returns, gives room for a different explanation for such behavior.

In this paper we reviewed some of the literature on green marketing, to conclude that not only it is part of the larger body of CSR behavior, but also that it can make more sense to be treated as one possible action among many others, in managerial terms: The interplay of environmental concerns with any type of the so called CSR actions can be used by the organization to construct a stronger position in the market place.

All the arguments which claim that CSR behavior in general, and green marketing in particular, are consequences of non-profit oriented actions, either to protect the good of the individual (deontological ethics) or the good of society as a whole (society-based teleological ethics) are shown to be unable to account for the costs of the behaviors and the consequences of undertaking them in a competitive environment. Even the idea that competition and CSR behavior are not compatible has been proposed (Cottrill, 1990).

As opposed to such a vision, we understand that CSR behavior in general, and green marketing in particular, can be regarded as a strategic competitive tool. The framework proposed here uses four bases to support the idea of green marketing or any socially responsible behavior can have a strategic motivation not related to altruism or segments sensitive to the behavior. They are: *a)* consumers, who are the ultimate objective of the action (given that they are the ones who are paying for it), not only have their own social needs, but also suffer peer pressure, *b)* they will exclude from the consideration set a firm or product that do not match their values, including the social ones (congruity of values), *c)* to assess the constantly changing set of values of the consumer, any CSR practice has to be done in an ongoing basis (continuity), with respect to what is then relevant to consumers, and *d)* the interplay of different types of CSR actions is used by the firm.

Assuming these bases, this paper opens a door for treating green marketing as any profit seeking strategic behavior.

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