A STUDY OF THE FACTORS CONTRIBUTING TOWARDS ADOPTION OF GREEN MARKETING PRACTICES IN KENYA: A SURVEY OF THE MOBILE PHONE SERVICE PROVIDERS IN KENYA

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi, School of Business for academic credit.

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This project has been submitted for examination with my approval as the appointed University supervisor.

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DEDICATION

To Terrence George and George Wesley for your love and encouragement.

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I thank God for providence and grace, it has been a very long journey, but He has brought it to fruition. I appreciate my family for the support and encouragement that they gave me during the entire period. I sincerely appreciate the invaluable input; tireless assistance and support from my supervisor Mrs. Mary Kinoti who ensured that this project met the required standards.

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LIST OF ABBREVIATIONS

CCK Communications Commission of Kenya

CEO Chief Executive Officer

CFL Compact Fluorescent Lamp

ECTAS Extended Total Access Communication System

EMS Environmental Management System

GDP Gross Domestic Product

GSM Global System for Mobile Communications

IBM International Business Machines

KPTC Kenya Posts and Telecommunications Corporation

KMO Kaiser – Meyer – Olkin Measure of Sampling Adequacy

LED Light Emitting Diode

MDF Medium Density Fiberboard

NEMA National Environment Management Authority

PVC Polyvinyl Chloride

SMS Short Message Service

SPSS Statistical Package for Social Sciences

USA United States of America

US\$ United States Dollar

ABSTRACT

Green Marketing is becoming an important area of focus for companies in Kenya and the world over. The effects of the changing weather patterns and climatic conditions have started being felt the world over. Rising global temperatures, skyrocketing fuel costs and changing weather patterns are considered payback for years of neglecting the environment (Kelly, 2008). As such, there has been increasing concern about the state of the global environment both locally and internationally. There has been consensus that organizations need to preserve the environment in which they dwell. The objectives of this study were twofold: to study the green marketing practices adopted by the mobile phone service providers in Kenya; and to study the factors that have contributed towards adoption of green marketing practices by the mobile phone service providers in Kenya. A descriptive study was conducted. This was a census survey of all the four mobile phone service providers operating in Kenya. Data was collected using a semi-structured questionnaire that was delivered to each of the respondents. One respondent in the position of marketing manager in each organization was targeted. It proved almost impossible to get the marketing managers to respond, in their stead, the questionnaires were sent via email to alternative respondents in mid level management. The questionnaires were then physically collected from each of the respondents once completed ensuring a response rate of 100%. Data was analyzed using factor analysis in the SPSS module. The findings revealed that to a large extent all the mobile phone service providers practice green marketing.

The study was limited to mobile phone service providers; however there are other players in the mobile phone industry. It is necessary to conduct a similar study that encompasses all players in the mobile phone industry in Kenya to determine whether green marketing is practised across the industry.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

1.1.1 Background of the Study

Organizations are in a constant two way interaction with the environment. They receive inputs from the environment, add value to them and return the transformed inputs back to the environment in form of goods and services (Ansoff and McDonell, 1990). Social norms regarding the environment are changing and consumers today are increasingly holding brands accountable for what they do rather than just what they say. As a result, more companies are responding to consumer concerns about the environment by making investments that strengthen the brand value. These companies view socially responsible actions as an opportunity to do well and seek ways to serve the best long-run interests of their customers and communities (Kotler, Armstrong, 2006).

Companies that have accepted their responsibility to the world around them have gone a step further and built social responsibility and action into their company values and mission statements. Ben and Jerry's, a division of Unilever, through its mission statement challenges all employees to include concern for individuals and the community welfare in their day to day decisions. Nike, a leading shoe manufacturer has shown commitment to sustainable environmental practices as their products have 'zero toxic substances, zero waste and 100 percent recoverable product' (Køtler, Armstrong, 2006). Through its Air to Earth Program, Nike works with environmental organizations to educate students about conservation, reuse and recycling. In Kenya, Safaricom Ltd is concerned with the environment as it sponsors various sustainable ventures like the Lewa marathon whose aim is to raise funds for the conservation of the Lewa Wildlife Conservancy. The impact of the event has been huge with very tangible benefits. Since its inception the event has raised US\$2 million (which is approximately Kenya Shillings 160 million); the funds raised are invested in a wide range of projects benefiting sustainable development, education, healthcare, and wildlife. Safaricom's aim is to

balance the needs of rural communities with the objective of preserving Kenya's unique natural heritage for future generations (<u>www.safaricom.co.ke</u>).

1.1.2 Green Marketing

The green marketing concept arose in response to increasing concern about the state of the global environment and the life it contains. It began in Europe in the early 1980s when certain products were found to be harmful to the earth's atmosphere. movement quickly caught on in the United States of America and has steadily grown ever since. Many renowned leaders have been at the fore advocating for conservation of the environment. While he was president of the United States, Theodore Roosevelt (1910) in his speech at Osawatomie Kansas said: "Conservation means development as much as it does protection. I recognize the right and duty of this generation to develop and use the natural resources of our land; but I do not recognize the right to waste them, or to rob, by wasteful use, the generations that come after us." Theodore Roosevelt (1907) in Mephis stated that "the conservation of natural resources is the fundamental problem. Unless we solve that problem it will avail us little to solve all others". Former United States Vice President Al Gore became a household name by relentlessly raising awareness over global warming (Kelly, 2008). Both Al Gore and Kenyan Wangari Maathai are Nobel laureates for their commendable work in conservation of the environment.

The adoption of green marketing in Africa has been a little slow. This can be attributed to the fact that most multinationals are trying to cash in on their existing manufacturing and production processes before they are forced either by government policies or consumers to ensure that their products and processes are environmentally friendly. Resistance to adoption of green marketing is experienced even in developed countries. For instance, in the automobile industry, lawmakers and regulators have been forced to put in measures to compel auto manufacturers to become more conscious of the impacts the automobiles pose on the environment (Kelly, 2008). Today, companies realize that

consumers have an increased awareness of the environmental impact that modern goods may have and as such, environmental claims are now relevant to a larger product range; from small household items such as diapers to major appliances and equipment like motor vehicles (Green Marketing & Trade Practices Act, 2008). Green marketing has thus produced advances such as packages using recycled paper, phosphate-free detergents, and refill containers for cleaning products and bottles that use less plastic.

Green marketing incorporates development of ecologically safer products, recyclable and biodegradable packaging, energy-efficient operations and better pollution controls. Peattie, (1992) defines green marketing as 'the management process responsible for identifying, anticipating and satisfying the requirements of customers and society in a profitable and sustainable way'. Green marketing is further defined as the marketing of "environmentally friendly" products which take into account environmental issues such as wastefulness of the earth's resources, pollution as well as the release of toxins into the atmosphere. Jacquelyn Ottman states that 'there is no such thing as a green product'; every product requires materials, uses energy and creates waste. Ottman further qualifies the statement by stating that one product might have less of these impacts than others and so it is up to the green marketer to spell out for the consumer how a product impacts on the environment. 'Although no consumer product has a zero impact on the environment, a "green product" is one that strives to protect or enhance the natural environment by conserving energy and / or resources and reducing or eliminating use of toxic agents, pollution and waste' (Ottman et el, 2006).

1.1.3 Green Marketing Practices

Green marketing practices focus on environmental sustainability, where sustainability involves using resources at a rate that allows them to be replenished to ensure their long term survival (Peattie, 1992). Many companies are adopting policies of environmental sustainability in a bid to protect and preserve the environment by practising green marketing. Green marketing practices include ecolabelling, product take back

programmes, reverse logistics, pollution control, sponsorship of environmental ventures, environmental management systems, reduction of raw materials used in product design, and adherence to green procurement policies.

Ecolabelling is a voluntary method of environmental performance certification and labeling that is practiced around the world in which a product is given an 'ecolabel' that identifies overall environmental preference of the product or service within a specific product or service category based on life cycle considerations. Product take back programs are a good alternative to land filling (Ottman, 1998). Product take back programs help build up long-term relationships with the customer, encouraging companies to design their products for repair, remanufacture and re-use by making use of reverse logistics. For instance manufacturers of mobile phones and accessories take back obsolete products from the market which are then recycled. In a bid to reduce pollution, many companies participate in environmental clean-ups as part of their corporate social responsibility while others sponsor environmental conservation ventures like the Rhino Charge and the Lewa Marathon, Environmental management systems involve environmental certification which is a process by which industries are encouraged to change production patterns and product qualities to incorporate In Kenya, National Environment Management Authority environmental values. (NEMA) is mandated to safeguard and enhance the quality of the environment.

1.1.4 The Mobile Phone Service Providers in Kenya

The mobile phone industry is among the fastest growing industries in Kenya. This fast paced growth has been fueled by technological innovation, increased need for communication as well as deregulation of the telecommunication sector in Kenya. Mobile telephone services in Kenya commenced in 1992. An analogue system known as Extended Total Access Communication System (ECTAS), commercially launched in 1993 was used. Mobile telephone services at this time were exorbitant with a subscriber parting with Kenya Shillings Two Hundred and Fifty Thousand for a special license and

handset; a figure that was beyond the reach of many Kenyans. Due to the high cost, a marginal growth of less than 20,000 subscribers was recorded in a period of seven years, from 1993 to 1999.

Once the telecommunications industry became liberalized, new entrants were allowed in. The Communications Commission of Kenya (CCK) was mandated to license the mobile phone service providers (www.cck.go.ke). The CCK was established in February 1999 by the Kenya Communications Act of 1988 to license and regulate telecommunications, radio telecommunication and postal services in Kenya. Safaricom, fully owned by Kenya Posts and Telecommunications Corporation (KPTC) at the time got a GSM license to operate a GSM Network in Kenya in 1997. Safaricom Limited was incorporated on 3rd April 1997 under the Companies Act as a private limited liability company. It was converted into a public company with limited liability on 16th May 2002. Safaricom Limited is now a public company trading at the Nairobi Stock Exchange after part of the government shareholding was sold off to the public in an Initial Public Offering in March 2008. Previously, Safaricom was owned by Vodafone group plc of the United Kingdom while 60% was owned by the Kenya government.

On 28th January 2000, Kenya Cellular Communications Limited (KenCell) was founded as a fully private GSM operator. Kencell operated for four years before being bought out and transferring ownership to Celtel in 2004. Soon after in April 2005, MTC, a Kuwaiti mobile phone operator acquired ownership of Celtel. The Zain group was established in 1983 in Kuwait as the first mobile phone operator. It is the fourth largest telecommunications company in the world in terms of geographical presence. Zain changes hands again as a deal to sell off the African arm of Zain to Bharti Airtel; an Indian company has just been completed. The third licensee was Econet Wireless Kenya Limited who was issued a GSM license in December 2003 by the CCK. Econet however, did not commence operations immediately. Econet Wireless Kenya Limited is partially owned by Indian Essar and now operates as Essar Telecom Kenya Limited (Yu). The fourth entrant is Orange mobile that is fully owned by Telkom Kenya.

France Telkom owns majority shares in Telkom Kenya after the government sold 51% of its shareholding in the company.

The mobile phone industry has over the years registered tremendous growth both in revenue and subscriber numbers. The mobile phone network is now over ten times the size of the fixed line network in subscriber numbers. The mobile phone connections increased from 12.9million in 2008 to 17.4million in 2009 (Economic Survey Report, 2010). At the end of the second quarter of 2009/2010, the four licensed operators had a combined subscriber base of 19.4million mobile subscribers, up from the previous quarter's 17.9million (www.cck.go.ke). Currently, subscribers are being subjected to price wars from all the four mobile phone service providers. The CCK is considering regulating the tariffs so that all mobile phone subscribers levy uniform fees. Competition has spurred the industry and we have seen introduction of new products in a bid to add value. In addition to voice communication, there are short message services (SMS), internet connectivity as well as money transfer services. The money transfer service is giving Banks a run for their money; spurring some into partnering with the mobile service providers in a bid to cash in on the commission. Other services provided by mobile telephony include conference calls, video calls and roaming services.

1.2 Statement of the Problem

Green Marketing is becoming an important area of focus for companies in Kenya. Rising global temperatures, skyrocketing fuel costs and changing weather patterns are considered payback for years of neglecting the environment (Kelly, 2008). The effects of the changing weather patterns and climatic conditions have started being felt the world over. As such, there has been increasing concern about the state of the global environment both locally and internationally. In Kenya, the country experienced drought in 2009 and floods in 2010. Such extreme weather sets back the development process for decades (Polonsky, 2001). Destruction of the tropical rain forests, depletion of the ozone layer and emission of carbon, have all led to global warming. Issues

affecting the natural environment have elicited public debate and concern in recent years. The degradation of the water catchment areas around the country are the topic of choice in most forums. In Kenya, there has been heated debate about saving the Mau, rehabilitating the Aberdares, ban on use of thin polythene bags, a ban on noise and a myriad of other issues that are seen to be harmful to the environment. Nobel laurate Wangari Maathai has for a long time been a lone voice in the struggle to conserve the environment. The time is ripe for the entire country to join in the fight to save the environment.

As organizations interact with the environment, processing inputs and spewing them back into the environment as goods or services, it is inevitable that the environment will get degraded. Social norms regarding the environment are changing and consumers are beginning to hold brands accountable for what they do and not just what they say. According to Fern (1971), companies that set social objectives and strive to achieve them position themselves to enjoy the benefits of such involvement. Empirical research and practice evidence that in the long run a relationship exists between social responsiveness of an organization and its corporate effectiveness (Kweyu, 1993). It is therefore necessary and important for organizations to preserve the environment in which they dwell.

A few studies have been carried out in Kenya on green marketing. Kiongera (2003) looked at the green marketing practices and challenges of firms in the cement industry in Kenya. He found that environmentalism in many organizations has been adopted as a corporate value because "in future, customers will increasingly buy not just the product, but the company's response to environmental issues". Obuya (2003) surveyed the extent to which manufacturing firms in Nairobi practise green marketing. Kenyatta (2004) studied eco-marketing in Kenya on selected organizations in the service industry and found that some firms integrated eco-marketing as a positioning strategy for competitiveness. Mungai (2006) studied the application of ecological marketing practices by oil companies in Nairobi. Kalama (2007) considered green marketing

practices by Kenya Petroleum Refineries. He found that customers are now conscious of what they want; thus for a firm to succeed, there must be in place structures that support green marketing practices. Mwirigi (2007) focused on green supply chain management practices by manufacturing firms in Kenya. The mobile phone industry is among the fastest growing industries in Kenya and no similar study has been conducted on this industry. Considering that the mobile phone service providers account for more than fifty percent of the earnings in the mobile phone industry, I seek to study the factors contributing towards adoption of green marketing practices by the mobile phone service providers in Kenya. The study will be guided by the following research question:

What factors have contributed towards adoption of green marketing practices by the mobile phone service providers in Kenya?

1.3 Objectives of the Study

- To determine the green marketing practices adopted by the Mobile Phone Service Providers in Kenya.
- II. To identify the factors contributing towards adoption of green marketing by the Mobile Phone Service Providers in Kenya.

1.4 Importance of the Study

The findings from this study will help to sensitize corporate bodies in Kenya on the importance of adopting green marketing practices. The companies that the study focuses on will gain from the documentation and analysis of their green marketing practices. This will spur them to get even more ways to incorporate green marketing practices in their service delivery. Policy makers will benefit from this study as they can use the factors discussed to sensitize other corporate bodies and individuals to adopt green marketing practices. This will help protect citizens from unscrupulous business practices that harm the environment. This study will add to the existing body of

knowledge or	the	concept	of	green	marke	ting t	o be	nefit	academi	icians	and	aid	in	further
research.														

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Kotler and Armstrong (2006) define environmentalism as an organized movement of concerned citizens, businesses and government agencies to protect and improve people's living environment. The main concern of environmentalists is that people and organizations operate with more care for the environment so as to maximize the quality of life. Environmental marketing involves developing ecologically safe products; products that are recyclable; using biodegradable packaging; putting in place better production methods and controlling the pollution levels (Freeman, 1984). The first wave of modern environmentalism in the United States in the 1960s and 1970s was driven by environmental groups and concerned consumers. Their concerns lay in the damage to the ecosystem that was caused by mining, deforestation, acid rain, depletion of the atmospheric ozone layer, toxic wastes and litter which consequently led to loss of recreational areas and increase in health problems associated with polluted water and chemically treated food (Kotler, 2006). In the 1970s and 1980s, the government followed with laws and regulations governing industrial practices impacting the environment. This was the second environmentalism wave; it hit industries hard as manufacturing companies had to invest heavily in pollution control while the packaging industry had to find ways to reduce litter.

The two waves finally merged into a third and stronger environmental movement which has forced companies to accept responsibility for doing no harm to the environment as consumers world over are increasingly becoming concerned about the environment. News reporters, film makers and scientists have not been left behind in directly educating the public about the environment and what human activities are adversely affecting it (Kelly, 2008). Over the years, powerful environmentalist movements have emerged. These have successfully lobbied for legislations for laws to be passed to protect the environment. Some of these groupings include; the Green Party of Germany,

the Ecological Party of Britain, Friend of the Earth and the Green Peace Movement (Encyclopaedia Britannica, 2010). In Kenya, we have the Green Belt Movement.

2.2 Green Marketing

Any complex concept most often proves difficult to define; this is the case with the green marketing concept. Nevertheless, various attempts to define green marketing have been made. Polonsky (1994) defines green marketing as consisting of all marketing activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment. Attenborough (1984) argues that in any organization, concern for the environment ought to be extended to the ingredients as well as all the processes that make the product, the design and packaging. Green marketing is a subset of social responsibility which developed in part by the pressure of consumers and other stakeholders committed to increasing environmental awareness and bringing about changes in production and marketing in order to safeguard the natural environment (Kotler, 1996). As a result, the business types, products and approaches to marketing have had to change (Ottman, 1993).

Ottman (2002) a contributor to the Green Marketing Corner says that investment in environmentally preferable products and technologies could lead to a potential source of innovation and competitive advantage. It is important for organizations to seek to minimize wastage in all their operations, as they are in a constant two-way interaction with the environment (Ansoff, 1990). To reduce environmental degradation, marketers ought to adapt an environmentally friendly approach in their marketing strategy. Companies that operate within the context of the environment enjoy reduction in waste disposal and handling cost. Stuart Hart (as cited in Kotler & Armstrong, 2006) developed 'the environmental sustainability grid' in 1997 that companies can use to gauge their progress toward environmental sustainability. The first level in the four grid model is pollution prevention; a company endeavours to eliminate or minimize waste by

for example using biodegradable packaging or developing a product that is recyclable in part or wholly. Level two is product stewardship; companies are expected to create products that are easier to recycle or reuse. Level three involves planning for new environmental technologies while level four is having a sustainability vision that serves as a guide to the future. It directs the company towards the solution of social and environmental problems and guides the development of new technologies, markets, products and processes.

2.3 Green Marketing Mix

Marketing mix is a term that was coined by Neil Borden in 1953 in his American Marketing Association presidential address. At the time, the marketing mix comprised of product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, fact finding and analysis. In 1960, Jerome McCarthy another prominent marketer proposed a 4 P classification from the original twelve. Bradley (1989) coined the term 'green marketing mix'. According to Kotler and Keller (2005), every company has their preferred or favourite marketing mix; whereas some have 4 Ps others prefer to have eight divisions. Green marketing mix can thus be defined as the decision making process for defining the actual tactics that a company utilizes in offering a green product or service that not only satisfies the needs of the consumer within the target market, but simultaneously maximizes the organization's performance.

2.3.1 Green Product

Ottman (2008) cautions that there is no such thing as a green product because every product requires raw materials; uses energy in its production and ultimately creates waste or a by-product. Ottman further qualifies this by stating that one product might impact negatively on the environment less than another; it is thus the green marketer's duty to spell out to the consumer how their product impacts on the environment. Green products can be defined as products that cause less damage to the environment. This is

because the ecological objective in designing and producing green products is to reduce resource consumption, pollution as well as to increase conservation of scarce resources (Kellerman, 1978). Examples of products that support green marketing include products made from recycled goods like the Kitengela glass works; products that can be recycled or reused like the supermarket shopping bags; efficient products that save water and energy like the fireless cooker. Entrepreneurs who want to exploit emerging green markets must identify the consumers' environmental needs so as to develop products that can address those needs (EPA, 2007). Products and their usage are central to how people express their concern for the environment. More products from socially responsible companies are consumed as opposed to those from companies perceived to have a poor environmental track record. Opportunities exist for businesses to use green products and their marketing messages to educate consumers, thus establish themselves as environmental leaders.

2.3.2 Green Price

Green price is the sum of money paid for a green product or service rendered. The price that is eventually set for a product reflects the pricing objectives which have been set for it, which will in turn reflect the marketing objectives and strategy for the product (Peattie, 2009). Consumers are agreeable to paying a premium if there is perceived additional product value like improved performance, function, design, visual appeal or taste. However, consumers will not pay a premium for a green product if it does not meet the basic function that a non eco-friendly product offers. According to Ottman (2008), if you are charging a premium, the consumer has to feel that it is worth it. For instance, Toyoya's Prius offers attractive styling, high-tech interior features, a quieter ride and it is a hybrid. Peattie further explains that greener products will often attract new costs related to environmental protection and improved environmental performance. Despite that, companies practicing green marketing need to charge a fair price for their products as environmental benefits are considered an added bonus. Consumers should therefore not be made to pay a premium for environmental practices that are already required by law.

2.3.3 Green Place

Green place is the location where a product can be purchased; this can be a physical location like a supermarket or a virtual location on the internet. Very few customers will go out of their way to purchase green products; thus, the choice of where and when to avail a product significantly impacts on the consumers a company attracts (EPA, 2007). Marketers seeking to successfully introduce new green products should position them broadly in the market place so that they are not just appealing to a small green niche market, but that the location is consistent with the Company image as well. Green place is also about managing logistics to cut down on transportation emissions, thereby aiming at reducing the carbon footprint. For instance, instead of marketing imported apples and grapes from South Africa, the same company can be licensed to produce the fruits locally in Kenya.

2.3.4 Green Promotion

Green promotion represents all of the communications that a marketer may insert into the market place. It represents the various aspects of marketing communication like television, radio, print advertising, coupons, direct mail, billboards and online advertising. Deciding on the media that will give the most cost effective communication is a complex task that relies on the marketers understanding of the target audience's media habits (Peattie, 1992). In addition, the marketer needs to consider the impact that each promotion medium will have on the environment. The channel that least negatively impacts on the environment but reach a large percentage of the target market should then be adopted. There are three types of green advertising: advertisements that address a relationship between a product or service and the biophysical environment; those that promote a green lifestyle by highlighting a product or service and those advertisements that present a corporate image of environmental responsibility. Smart green marketers are able to reinforce environmental credibility by using sustainable marketing and communications tools. Companies should focus on the green aspect of the promotion. There should be no misleading or deceptive means of attracting consumers (The Fair Trading act, 2008). The correct information regarding the

company and products should be readily available so that customers make informed decisions on the products to purchase (Bradley, 1989).

2.3.5 Green Process

Green process is an element of the extended green marketing mix. This is the continuous effort to re-examine the process on a company's product manufacturing lines to reduce the environmental burden imposed by raw materials and energy usage so as to cut down on costs while improving on quality (Nagata & Okuda, 2005). IBM changed the way it applies acoustic foam to its computer panels by discontinuing the use of chemical based adhesives and replaced them with dart-shaped connectors to hold the foam in place. This change helped IBM reduce the amount of greenhouse gas emissions in the production process and made it easier to recycle the product at the end of its lifecycle (Kelly, 2008). Companies need to have an established environmental policy that would help them follow the trends in environmental activities of the world which will spur the company to set guidelines for the achievement of sustainable development through the promotion of environmental management systems, environmental technologies, eco-friendly products and solutions, the green process and volunteer activities. Process management ought to be in direct connection with the manufacturing processes and conform to government regulations on controlling the volumes of chemical inputs and building a society oriented towards resource recycling (Nagata & Okuda, 2005). In addition, companies should be able to track the processes used in the production of goods and services until the consumer is satisfied. There must be feedback processes to determine customer satisfaction.

2.4 Cradle to Cradle

The phrase "Cradle to Cradle" was coined by Walter R. Stahel in the 1970's, and the current model is based on a system of "lifecycle development" initiated by Michael Braungart and his colleagues at the Environmental Protection Encouragement Agency (EPEA) in the 1990s. Cradle to Cradle is a design of systems that models human

industry on nature's processes in which materials are viewed as nutrients circulating in healthy, safe metabolisms. It is a holistic economic, industrial and social framework that seeks to create systems that are not just efficient but essentially waste free. In the Cradle to Cradle model, all materials used in industrial or commercial processes such as metals, fibers and dyes are seen to fall into one of two categories: "technical" or "biological" nutrients. Technical nutrients are strictly limited to non-toxic, non-harmful synthetic materials that have no negative effects on the natural environment; they can be used in continuous cycles as the same product without losing their integrity or quality. In this manner these materials can be used over and over again instead of being down-cycled into lesser products, ultimately becoming waste. Biological Nutrients are organic materials that, once used, can be disposed of in any natural environment and decompose into the soil, providing food for small life forms without affecting the natural environment. While traditional marketing approach was grounded on linear departmentalized thinking of cradle to grave, the new marketing approach focuses on life cycle thinking; from product development to final disposal and product stewardship which is the cradle to cradle orientation. Life cycle analysis involves looking at the entire lifespan of a product – beginning with how the product is manufactured and the materials and equipment used in manufacture, how the product is transported for distribution, to how the consumer uses the product and ultimately disposes of it (Rosch, 2008). The main objective is sustainability and efficiency in product design. We now have eco-designed products, up-cycling, re-use, product sharing and product leasing which are causing a total lifestyle change for the consumer (http//:en.wikipedia.org)

2.5 Green Marketing Practices

Green marketing practices focus on environmental sustainability. Sustainability involves using resources at a rate that allows them to be replenished to ensure their long term survival and not exceeding the environment's ability to absorb pollution (Peattie, 1992). Sustainable development does not enrich one group of people at the expense of another; neither does it reduce the productivity and viability of the world's ecosystems. Environmental sustainability is about generating profits while helping to save the planet.

In a bid to protect and preserve the environment, more companies are adopting policies of environmental sustainability. These have been adopted by many companies as green marketing practices discussed below.

2.5.1 Ecolabelling

Ecolabelling is a voluntary method of environmental performance certification and labeling that is practiced around the world. An 'ecolabel' is a label that identifies overall environmental preference of a product or service within a specific product or service category based on life cycle considerations. In contrast to "green" symbols or claim statements developed by manufacturers and service providers, an ecolabel is awarded by an impartial third-party in relation to certain products or services that are independently determined to meet environmental leadership criteria. Examples of ecolabelling schemes are the German Blue Angel Programme, the Nordic Swan Scheme and the European Union's Eco-Label initiative (http://en.wikipedia.org/wiki/...). Ecolabelling aids consumers in making green purchasing decisions, discourages misleading green claims, encourages producers to develop greener products and facilitates trade in green products (Peattie, 1992).

The roots of ecolabelling can be found in growing global concern for environmental protection on the part of governments, businesses and the public. As businesses have come to recognize that environmental concerns may be translated into a market advantage for certain products and services, various environmental declarations, claims and labels have emerged on products and with respect to services in the marketplace; for example, natural, recyclable, eco-friendly, low energy, recycled content among others. While these have attracted consumers looking for ways to reduce adverse environmental impacts through their purchasing choices, they have also led to some confusion and skepticism on the part of consumers. Without guiding standards and investigation by an independent third party, consumers may not be certain that the companies' assertions guarantee that each labeled product or service is an environmentally preferable alternative. This concern with credibility and impartiality has led to the formation of

both private and public organizations providing third-party labelling. In many instances, such labelling has taken the form of ecolabels awarded to products approved by an ecolabelling program operated at a national or regional (multi-countries) level. Peattie (1992) argues that the best strategy for the green marketer is to ensure that the labelling of a green product is accurate and meaningful to consumers.

2.5.2 Product Take Back Programs

Being a very materialistic society, products are used for a very short time, disposed of and newer models acquired. This makes an assumption of infinite supply of resources and infinite space for dumping waste. Product take back programs are a good alternative to land filling (Ottman, 1998). Product take back programs help build up long-term relationships with the customer, thus more companies have started designing their products for repair, remanufacture and re-use. Mobile phones and accessories can be recycled. Nokia encourages consumers to use one of their 5,000 Nokia Care points globally to drop off their old mobile phones (www.nokia.com).

2.5.3 Pollution Control

To make the environment a better place, pollution levels must be reduced. For instance, in Kenya, there is a ban on noise pollution, use of thin polythene bags that cannot be reused as well as smoking in public places (http://www.nema.go.ke/). In Zambia, motorists are taxed according to their carbon emission (www.lusakatimes.com). Many corporate companies often participate in environmental clean-ups as part of their corporate social responsibility. The government of Kenya is involved in rehabilitating the Nairobi River as well as the Nairobi dam both of which had become environmental hazards.

2.5.4 Sponsorship of Environmental Ventures

Apart from participating in environmental clean-ups, other companies sponsor environmental conservation ventures. The Rhino charge is an annual sporting event that

collects funds for the fencing of the Aberdare Forest one of Kenya's main water catchment areas (www.rhinocharge.co.ke). The Lewa marathon is also a sporting event held annually to fundraise towards the conservation of the Lewa Wildlife Conservancy. Various companies as well as individuals participate in the events through which funds are raised to help conserve the environment.

2.5.5 Environmental Management Systems (EMS)

Environmental Management System (EMS) refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. EMS serves as a tool to improve environmental performance and focuses on continual improvement of the system. It gives order and consistency for organizations to address environmental concerns through the allocation of resources, assignment of responsibility and ongoing evaluation of practices, procedures and processes (en.wikipedia.org). It involves environmental certification which is a process by which industries are encouraged to change production patterns and product qualities to incorporate environmental values. In Kenya, National Environment Management Authority (NEMA) is mandated to safeguard and enhance the quality of the environment through coordination, research, facilitation and enforcement of the various environment laws and policies, while encouraging responsible individual, corporate and collective participation towards sustainable development (www.nema.go.ke).

2.5.6 Reduction of raw materials used

Companies need to rethink their sourcing strategies and dramatically simplify the number and types of materials used in their company's production. Making use of raw materials that can be easily recycled makes more economic sense and helps companies adhere to their sustainability goals. Sony has reduced the amount of heavy metals like lead and mercury in its electronic products while Nike produces PVC free shoes that release fewer toxins to the environment. According to Nike, the alternative materials used have added environmental benefits that do not compromise the aesthetic, quality and performance that Nike consumers expect from Nike products. This allows Nike to

leverage their purchase volumes with their suppliers, making environmentally preferred material options more cost effective. This also encourages the suppliers to develop more sustainable materials because they know that there is a ready market (www.nikebiz.com).

2.5.7 Green Procurement Policies

Procurement has historically been based on two criteria, price and quality, with a view to maximizing benefits for the procuring organization. On the other hand, organizations practicing green procurement meet their needs for goods and services as well but with a view to maximizing net benefits for themselves and the wider world. Green procurement includes purchase of energy-saving light bulbs for use in offices and homes; purchasing office furniture made from sawdust (MDF); serving organic food at the workplace canteen and purchasing food that is grown locally as opposed to purchasing imported foodstuff (http://en.wikipedia.org). Public authorities in local and central government need to be in the fore front to make markets for sustainable goods and services by integrating environmental criteria into their purchasing decisions.

2.5.8 Reverse Logistics

Companies are encouraging consumers to return used products or older models to the manufacturer so that they can replace them with modern models. This helps solve the problem of getting enough dumpsites and landfills for obsolete products. Some companies urge customers to mail back their used products or they organize to pick up the used product and deliver the new replacement. The obsolete products are then dismantled and either down-cycled or up-cycled (HBR, February 2008). For example, in Kenya, MFI leases their photocopiers and printing machines to corporate entities. When the machines break down, MFI replaces them and collects the old ones for possible repair and disassembly. Renting and leasing prolong product life and ensure that used products are returned to the manufacturer turning the traditional value chain into a value cycle.

2.6 Factors Contributing Towards Adoption of Green Marketing Practices

Equipped with a better understanding of environmental issues, there are organizations that voluntarily adopt environmentally responsible business practices. The Post Bank of Kenya has reduced their paper consumption by adopting paperless banking. A customer does not need to fill in a deposit slip or a withdrawal slip in order to be served. Other Banks offer mobile banking and internet banking. Customers can transfer funds at a click of a button and view their account statements online. The Co-operative Bank of Kenya no longer prints out payslips for their staff as all employees can view their payslips online. Mobile telephone service providers in Kenya are giving customers the option to purchase virtual airtime as opposed to scratch cards. McDonald's restaurant's napkins and bags are made from recycled paper. The packaging bags used by Enka-Rasha Fashion a retail store in Nairobi, are biodegradable and are made of recycled paper. A growing number of CEOs now appreciate the link between environmental responsibility and more efficient and profitable business practices. They are using green marketing strategies to take advantage of opportunities to boost their corporate environmental images (Ottman, 1998). Globally, many companies and organizations have adopted green marketing; the factors that have driven them to adopt green marketing practices are discussed below.

2.6.1 Producer Responsibility

In response to the growing problem of excessive waste, several countries adopted liability schemes in which manufacturers must take responsibility for their products in attempts to slow the filling of landfills and the consequential releases of toxic materials from the discarded products. Such laws, known as "take-backs," are requirements imposed on manufacturers, importers, and sellers to take back their products from end users at the end of the products' useful life (Unruh, 2008). When producers are held directly accountable for their products end of life impact or recycling under Extended Producer Responsibility laws, they end up facing either a financial or physical burden of recycling their electronics after use. The producers are then willing to design more sustainable, less toxic and easily recyclable electronics. They are encouraged to use less material and design their product to last longer in order to cut costs and avoid planned

obsolescence. When consumers hold producers legally responsible if a product does not meet its environmental requirements; manufacturers have no choice but to continue searching for better ways to recycle as well as take advantage of all of the materials they can reuse (The Fair Trading Act, 2008). For instance, Sony Ericsson considers sustainable development and production to be one of the most important challenges for the future and one that demands immediate action from responsible manufacturers. Sony Ericsson has implemented a life cycle approach to product development that takes into account design, supply chain, manufacturing, product use (operation), and end of life treatment of all their products. The company's objective is to develop and deliver solutions that help to reduce global resource consumption and emissions to the air, land and water. Their customers demand environmentally adapted products and services and Sony Ericsson is committed to fulfill that demand (www.sonyericsson.com).

2.6.2 Better Returns

Many companies the world over have management systems in place to make sure corporate environmental profiles and products exceed consumers' expectations. A number of companies conduct environmental audits; recycle their waste while others upgrade their facilities with energy efficient technologies to reduce operating costs while boosting profits. Producing eco-efficient products creates less waste, consumes fewer raw materials and ultimately saves energy. This ensures higher returns on investment and enhanced corporate image that lures investors and top talent. Nike's use of environmentally preferred materials in their products has added environmental benefits that do not compromise the aesthetic, quality and performance that Nike consumers expect from Nike products, instead it allows Nike to leverage their purchase volumes with their suppliers, making environmentally preferred material options more cost effective (www.nikebiz.com).

2.6.3 Competitive Advantage

Being the first to the shelf with an environmental innovation brings competitive advantage. Toyota is trying to push gas/electric hybrid technology into much of its

production line. With the Toyota Prius, a hybrid car, Toyota can be said to be the first eco-friendly auto manufacturer beating competitors with this new automotive eco-innovation (Ottman, 2003). Currently, many other auto manufacturers have a hybrid car on the market or are developing one. A lot of energy-efficient products offer inherent convenience benefits that can be showcased for competitive advantage. For instance, Phillips lighting, inventors of compact fluorescent lighting technology took the world by storm as the CFL bulbs need infrequent replacement making them cheaper in the long term (Ottman, et el 2006).

2.6.4 Increased Market Share

In tough competitive climate, environmental compatibility breaks ties at the shelf (Ottman, 1993). Prudent green consumers skew purchases to those products and packages that must be recycled or otherwise safely disposed of. Green consumers often switch brands or boycott those companies and products deemed to have a poor environmental track record while good environmental performance ensures continuation of the widest possible market through repeat business and referrals (www.quality.co.uk/eco/benefits). Seeking to cash in on the potential for future green-oriented sales, well established mass marketers now shop for green companies with promising green brands; for example, Heinz acquired Earth's Best Baby Foods while Colgate Palmolive acquired Murphy's Oil Soap.

2.6.5 Better Products

Consumers are attracted to green products as they are perceived to be of higher quality. For instance, energy saving bulbs reduce the electricity bills and are thus worth buying. In the United States, front loading washing machines are preferred as they are energy efficient, clean better and are gentler on clothes compared to conventional top-loading machines because they spin clothes in a motion similar to clothes driers and use centrifugal force to pull dirt and water away from clothes. This is in contrast to most top-loading washers which use agitators to pull clothes through tanks of water, reducing cleaning and increasing wear on clothes (Otmman, et el 2006). Products should

therefore be developed depending on the needs of the customers who prefer environment friendly products. The marketer's role in product management is to provide product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals and local sourcing of material. Nike for example is marketing its Air Jordan shoes as environment – friendly. This shoe emphasizes that Nike has reduced wastage and used environment friendly material because it significantly reduced the usage of harmful glue adhesives when producing the shoe (www.nikebiz.com).

2.6.6 Personal Rewards

Green marketing offers a rare opportunity to integrate personal values into the workplace. Creating products that are more in sync with nature allows one to personally contribute to environmental clean-up and helps ensure a more secure future for the future generations of mankind. The ability to demonstrate a responsible environmental attitude dramatically improves the image of a corporation and reflects well on the entire management and personnel fostering better relations with the corporation's stakeholders (Ottman, 2003). Safaricom sponsors the Lewa Marathon whose aim is to raise funds that are utilized for the conservation of the Lewa Wildlife Conservancy (www.safaricom.co.ke). This event offers many people from various walks of life a platform on which to participate in the event as they are proud to be associated with a good cause.

2.6.7 Scarcity of Resources

Dealing with scarce resources especially those that take a long time to be renewed like fossil fuels has spurred organizations to think of ways to best use the scarce resources available. Simple things like switching to the use of compact flurorescent or LED lighting systems in office buildings or turning off all computers and electronic equipment at the end of the workday can make notable differences when summed up (Kelly, 2008). In minimizing wastes firms often develop more effective production processes that reduce the need for some raw materials thus serving as a double cost

savings. In other cases firms attempt to find end-of-pipe solutions; instead of minimizing waste by trying to find markets or uses for their waste materials, one firm's waste becomes another firm's input of production. This can be achieved by either primary or secondary recycling. Primary recycling, also called closed-loop recycling, turns recycled materials into new products of the same type. For example, used aluminum beverage cans are recycled into new beverage cans. Secondary recycling or down cycling, on the other hand, recycles materials into new and different products; case in point, used plastic milk jugs have been used to make outdoor furniture (http://waste.reduction.suite101.com)

2.6.8 Government Policy Requirements

Governmental regulations relating to green marketing are designed to control the amount of hazardous wastes produced by firms by issuing of various environmental licenses. This is done in a bid to protect consumers through regulations intended to modify organizational behavior; in Kenya, we have NEMA. In some instances, the government may try to persuade the ultimate consumer to become more responsible by taxing individuals who act in an irresponsible fashion. For example the ban on thin polythene bags in Kenya required that any Kenyan citizen found carrying a polythene bag that was not within the required thickness would be liable to pay a fine (www.nema.go.ke).

2.6.9 Green Conscious Consumers

Consumers are not indifferent to the value offered by environmental benefits. Home buyers recognize the practical long-term cost savings and comfort of natural lighting, passive solar heating and heat-reflective windows (Ottman, et el 2006). Consumers are demanding more transparency on environmental issues and will not purchase products from a company known for green washing. Toyota's Prius and Honda's Insight represent the first commercially successful marriage of internal combustion engine and electric motor technologies, providing consumers with the best of both worlds: extended driving range and super high fuel efficiency (Ottman, 2003).

2.6.10 Concern for the Environment

Humans depend on a sustainable and healthy environment, and yet we have managed to damage the environment in numerous ways. Due to man's actions, the earth is warming up causing major shifts in the climate. With human induced global warming on the increase, species and their habitats are on the decrease; chances for ecosystems to adapt naturally are diminishing. It is time that more companies respond to the changes that are happening around us on a daily basis by providing products that are less harmful to the environment. In the United Kingdom, Carbon labelling, which quantifies the greenhouse gas emissions connected to producing, transporting and consuming a given product is very popular. It gives companies another way of communicating the green virtues of their products to consumers (Roner, 2008).

2.6.11 Corporate Social Responsibility

Organizations the world over are beginning to realize that they are members of the wider community as we have become one global village. It is of utmost importance that they behave in an environmentally responsible manner that will result in environmental issues being integrated into the organization's corporate culture. New products designed with the environment in mind can excite employees, suppliers and other stakeholders thereby signaling corporate responsibility, innovation and the potential to increase sales (Ottman, 2003). The Kenol Kobil brand upholds its policy of being socially responsible in each of the countries that the company is represented. In each of the countries it operates in, the company engages its staff in various community development programmes as well as a number of environmental CSR programmes geared towards encouraging safe use of the products it markets. In Kenya, Kenol Kobil is engaged in the long-term rehabilitation and capacity-building programme for Mama Ngina Children's Home, and the Kenol Scholarship Fund which was set aside to enable bright children underprivileged families acquire quality education from to (www.kenolkobil.com).

2.7 Challenges in the Practice of Green Marketing

Many environmental challenges involve multiple steps: global warming causes droughts, droughts cause species to migrate, causing a food chain reaction which results in the death of a forest (Jacoby, 1973). In the maiden days of the modern environmental movement, ecological issues were easy to understand. For instance, if waste like oil was spilled into a lake, one could see it and smell it. The impact was local, immediate and acute, for instance, the death of fish. Today, the environmental problems are hidden, global, long-term and chronic. For instance, the oil spill in the Gulf of Mexico near Texas USA that occurred in April 2010 will cause a drop in the US GDP as fishing and tourism will be affected. In case, the oil spill is not contained and cleaned up completely, both humans and marine life will be affected in the long term.

Minimizing the adverse environmental impacts is a great challenge to many and requires the concerted efforts of the government decision makers, academicians, NGOs and the public. Organizations encounter many challenges such as disconnect between consumers' attitudes and actual behaviours as well as their unwillingness to pay premiums for greener products. This is partially rooted in consumers' skepticism of environmental claims that has been caused by companies that have green washed their products passing them off as green; thus putting the credibility of the green products in doubt. To assist businesses facing a credibility challenge, leaders need to take risks by advancing breakthrough environmental technology or encourage their companies to be the first in the industry to sign voluntary environmental codes to enhance the corporate image in a bid to gain the consumers' trust. Going forward, these companies need to maintain a good environmental track record and pay attention to details such as use of recyclable material.

Kotler (2004) identifies other factors such as regulations and policies varying from one country to another. This makes it difficult for regional and global monitoring. Also, environmental factors vary from region to region, motivating consumers differently (Kotler & Gay, 2004). Ottman & Terry (1998) argue that innovative environmental

managers and product designers have faced the challenge of making considerable progress toward reducing the environmental impacts of products. As the demand for greener products exists, the opportunities to capitalize on that demand are many. Much of the demand will continue to be driven by regulations as producer responsibility, product take back and recycling schemes evolve. The more innovative companies will reap the benefits as well as become the market leaders.

2.8 Summary of Literature Review

A challenge exists in the definition of green marketing and green products. There are no entirely green products as they all use up energy and other resources and create by-products and emissions during their manufacture, transportation, usage and eventual disposal (Ottman, 2008). Green is a relative term that conveys little information to the consumer other than the message that the product has less negative impact on the environment than other products (The Fair Trading Act, 2008). Due to regional variations in the amount or types of natural resources that are available, the local climatic and topographical conditions and whether reduction, re-use, recycling or composting are options, what might be green in my backyard may not be in yours. A further challenge exists in that no agreed-upon method exists to measure the precise relative environmental impact of one product against alternatives (Kotler, 2004). While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods and thus create environmental problems. What consumers want and are willing to pay for is a cleaner environment. Consumers who dispose off their waste in an inappropriate manner should therefore be held accountable.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study employed a descriptive research design. It was deemed appropriate as descriptive research designs describe data and characteristics about the phenomenon being studied by attempting to answer the questions, who, what, where, when and how. Formulation of a specific research question aided the researcher to have a clear picture of the phenomena being studied (Saunders, et el, 2000). Thus, the descriptive research survey was useful in identifying the factors that contribute towards adoption of green marketing practices by the mobile phone service providers in Kenya. The study was cross-sectional as data was collected from the respondents only once.

3.2 Population of the Study

This study focused on the companies licensed to provide mobile telephone services in Kenya. According to the industry regulator; the Communications Commission of Kenya, as at May 2010 there were four companies that were actively providing Global System for Mobile Communications (GSM) technology mobile telephone service. These are Safaricom Limited, Zain Kenya (Bharti Airtel Kenya), Telkom Kenya Limited (Orange Mobile) and Econet Wireless Kenya Limited (Essar Telecom Kenya - Yu). This was therefore a census survey.

3.3 Data Collection Method

Primary data was collected using a semi-structured questionnaire which was distributed to the respondents via email. The respondents were drawn from mid level management. Some of the respondents returned the completed questionnaire via email while the rest were collected by the researcher. The questionnaire had three parts; part one gave background information of the company and bio data of the respondent; part two

contained the green marketing practices while part three contained the factors contributing towards adoption of green marketing by the mobile phone service providers in Kenya. The questionnaire made use of Likert type questions and a few open ended questions.

3.4 Data Analysis

The data collected was first checked for completeness, edited and then coded. Descriptive statistics was used to analyze the data. This involved the use of factor analysis in the SPSS module. Factor analysis was used to summarize the large number of variables into fewer numbers of factors. The standard deviation and mean scores were used to show the distribution of the findings. These results were then used to validate the objectives of the study. Tables and graphs were used for purposes of presentation.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter outlines the findings of the research study based on the questionnaires administered to the four companies licensed to provide mobile telephone services in Kenya. The objectives of this study were twofold: to study the green marketing practices adopted by the mobile phone service providers in Kenya; and to study the factors that have contributed towards adoption of green marketing practices by the mobile phone service providers in Kenya. The summary of the data collected is presented in various media as generated from SPSS. The SPSS program was used to carry out factor analysis.

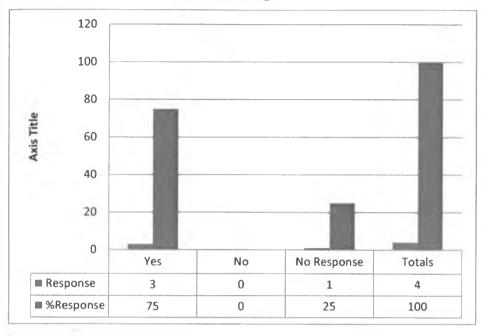
4.2 Respondent Profile

The first section of the questionnaire identified the company and the position of the respondent. All the respondents were in mid level management in their respective companies; one respondent was targeted in each company. These were best placed to give the best responses as they were involved in the day to day running and implementation of decisions made by top management.

4.3 Green Marketing Practices

The second section of the questionnaire introduced the concept of green marketing. This question was meant to gauge from the outset whether the respondents understood what green marketing is and whether to their understanding of the concept, green marketing is practised by their organization. 75% of the respondents answered in the affirmative, 25%, representing one respondent did not give a response. The response is as presented in the graph below.

Figure 1: Graphical Representation of Response to the Question - Does your organization Practice Green Marketing



Source:

Research Data

Factor Analysis

The next section outlined various green marketing practices. These variables listed under green marketing practices were analysed through factor analysis and the Eigen Values used to summarize the green marketing practices employed by the companies surveyed. The findings are presented in tables 1, 2, 3, 4 and 5.

Table 1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure o	of Sampling Adequacy.	.793
Bartlett's Test of Sphericity	Approx. Chi-Square	51.302
	df	25
	Sig (P-value)	.002

To determine the number of components, only the Eigen Values greater than or equal to 1 were considered (Cooper, 2003). In addition, the KMO measure and the Bartlett

Sphericity test were done. The extraction method was Principal Axis Factoring; the rotation method was Varimax with Kaiser Normalization (Shajahan, 2004). With the recommended value of 0.6 in order to perform Factor Analysis in the KMO measure, it was necessary to perform Factor Analysis on the data since the KMO measure was 0.793.

Table 2: Total Variance Explained

Component	Initial	Eigen values		Extra	tion Sums of Squared		
				Loadi	ngs		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	1.934	7.130	7.130	1.934	7.130	7.130	
2	1.884	6.978	14.108	1.884	6.978	14.108	
3	1.803	6.678	20.786	1.803	6.678	20.786	
4	1.710	6.333	27.119	1.710	6.333	27.119	
5	1.623	6.011	33.130	1.623	6.011	33.130	
6	1.598	5.919	39.049	1.598	5.919	39.049	
7	1.521	5.633	44.682	1.521	5.633	44.682	
8	1.455	5.389	50.041	1.455	5.389	50.041	
9	1.381	5.115	55.186	1.381	5.115	55.186	
8	1.315	4.870	60.056	1.315	4.870	60.056	
9	1.260	4.667	64.723	1.260	4.667	64.723	
10	1.213	4.493	69.216	1.213	4.493	69.216	
11	1.051	3.893	73.109	1.051	3.893	73,109	
12	.968	3.585	76.694				
13	.812	3.001	79.695				
14	.721	2.670	82.365				
15	.699	2.589	84.954				
16	.634	2.348	87.302				
17	.587	2.174	89.476				
18	.511	1.893	91.369				
19	.453	1.678	93.047				
20	.419	1.552	94.599				
21	.398	1.474	96.073				
22	.337	1.248	97.321				
23	.279	1.033	98.354				
24	.242	.896	99.250				
25	.203	.271	99.521	-0			
26	.073	.247	99.768				
27	.063	.232	100.000				

Source: Research Data

Eigen Values are the sum of the variances of the factor values (Cooper, 2003). From the total variance explained by the Eigen values, factor extraction was done to determine the factors using Eigen values greater than 1. Factors with Eigen values less than 1.00 were not used because they account for less than the variation explained by a single variable. The result indicates that 27 variables were reduced into 11 factors. The eleven factors explain 73.11% (Cumulative percentage) of the total variation, the remaining 16 factors together account for 26.89% of the variance. The explained variation 73.11% is greater than 70% and therefore, Factor Analysis was important for reducing factors by putting similar ones together.

Table 3: Factor Loading of Variables

Component	Factor	Reliability	Eigen
		Coefficient	Value
FI	Participate in environmental clean-ups	0.713	1.934
F2	Use of locally manufactured products to reduce	0.850	1.884
	carbon emissions associated with shipping in		
	similar goods from abroad		
F3	Encourage staff to switch off lights not in use by	0.885	1.803
	posting reminders at the power switches		
F4	Encourage customers to use electronic top-ups or	0.785	1.710
	virtual air time		
F5	Endeavoring to source for supplies from	0.884	1.623
	environmentally conscious suppliers		
F6	Use of office furniture made of recycled wood	0.725	1.598
	products like Medium Density Fiberboard(MDF)		
F7	Use of natural lights during the day to save on	0.694	1.521
	electricity		
F8	Use of biodegradable paper for making scratch	0.801	1.455
	cards	į	
F9	Open up windows during the day to let in fresh air	0.712	1.381

	as opposed to using air conditioning system in the		
	office		
F10	Consider uses of various forms of energy in various	0.720	1.315
	projects like wind energy, solar energy and others		
F11	Printing internal correspondence in back to back	0.8407	1.260
	format		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Research Data

The reliability in the factors was achieved through calculation of Cronbach Alpha coefficient; it explains to what extent the variable in the study are explained by the factors. Factor one explains variables by 71.3% with the high Eigen Value of 1.934 meaning that participation in environmental clean-ups is the most widely adopted green marketing practice by the mobile phone service providers. The rank of each factor reduces with the reduction in the level of Eigen Value.

Table 4: Factor Correlation Matrix

Factor	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11
F1	1.000	.376	.324	.387	.402	.311	.289	.421	.315	.301	.317
F2	.376	1.000	.398	.371	.383	.354	.455	.388	.397	.365	.318
F3	.324	.398	1.000	.345	.312	.328	.367	.302	.361	.333	.321
F4	.387	.371	.345	1.000	.311	.296	.415	.360	.329	.344	.356
F5	.402	.383	.312	.311	1.000	.354	.312	.345	.365	.371	.387
F6	.311	.354	.328	.296	.354	1.000	.398	.315	.432	.324	.318
F7	.289	.455	.367	.415	.312	.398	1.000	.376	.301	.328	.421
F8	.421	.388	.302	.360	.345	.315	.376	1.000	.360	.344	.296
F9	.315	.397	.361	.329	.365	.432	.301	.360	1.000	.376	.398
F10	.301	.365	.333	.344	.371	.324	.328	.344	.376	1.000	.345
F11	.311	.318	.321	.356	.387	.318	.421	.296	.398	.345	1.000

There is a low correlation between different factors, the maximum being 0.455 (between the factors "F2- Use of locally manufactured goods to reduce carbon emissions associated with shipping in similar goods from abroad" and "F7- Use of natural lights during the day to save on electricity"). This means that all the 11 factors are independent, which implies that they are measuring unrelated dimensions.

Table 5: Descriptive Statistics – Green Marketing Practices

	Factors	N	Mean	Std. Deviation
Use of biodegradable paper for making scratch cards	F8	4	5.00	.000
Printing internal correspondence in back to back format to save paper	F11	4	4.50	.577
Encourage customers to use electronic top-up or virtual air time	F4	4	4.50	.577
Participate on environmental clean-ups	F1	4	4.25	.957
Open up windows during the day to let in fresh air as opposed to using air conditioning system in the offices	F9	4	4.00	.000
Use of office furniture made of recycled wood products like Medium Density Fiberboard (MDF)	F6	4	4.00	.000
Use of natural lights during the day to save on electricity	F7	4	3.50	.577
Use of locally manufactured products to reduce carbon emissions associated with shipping from abroad	F2	4	3.50	.577
Consider use of alternative source of energy in various projects like wind energy, solar energy and others	F10	4	3.25	2.062
Endeavoring to source for suppliers from environmentally conscious suppliers	F5	4	2.25	.957
Encourage staff to switch off lights not in use by posting reminders at power switches	F3	4	1.50	.577
Overall Means Score			3.66	

The overall mean score of the extent to which mobile phone internet providers practice green marketing is 3.66, value above 3, meaning that most firms practice green marketing to larger extent. The use of biodegradable paper for making scratch cards had

a means score of 5 meaning that its practiced by the firms to a very large extent while encouraging staff to switch of lights not in use by posting reminders at power switches is practiced to a very small extent with a means score of 1.5. The standard deviation gave the deviations of various responses from the mean; in the case of considering use of alternative source of energy in various projects like wind energy, solar energy and others, there was divergent opinion as shown by Std. 2.062 since respondents gave non-consistent response.

4.4 Factors Contributing Towards Adoption of Green Marketing

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.471
Bartlett's Test of Sphericity	Approx. Chi-Square	28.773
	df	12
	Sig.	.000

Source:

Research Data

The KMO value obtained of 0.471 is below 0.6 which is the recommended value for factor reduction, so factor reduction was not necessary in the table 7 below.

The overall mean score in table 7 is 4.85 meaning that all the factors are very important when it comes to contribution in the decision that a firm makes on whether to adopt green marketing or not. Corporate social responsibility was taken to be the most important factor in contributing to the adoption of green marketing while complying with environmental pressure groups was the least contributing factor. The Standard deviation for all the factors was less than 1 meaning that, the responses were almost similar to each other. All the factors listed were deemed to be of equal importance to the companies surveyed in contributing to their decision to adopt green marketing.

Table 7: Descriptive Statistics – Factors Contributing Towards Adoption of Green Marketing

			Std.
	N	Mean	Deviation
Corporate social responsibility-giving back to the community	4	5.00	.000
that you serve			
Having concern for the environment	4	5.00	.000
Adhering to government policy requirements	4	5.00	.000
Competition for scarce resources	4	5.00	.000
Personal satisfaction for contributing towards a sustainable	4	5.00	.000
environment			
Having better and superior products that ensure repeat business	4	5.00	.000
from customers			
Increasing the firms market share	4	5.00	.000
Having a competitive advantage in the market	4	5.00	.000
Enhanced corporate image that lures investors	4	5.00	.000
Posting higher returns on investment	4	5.00	.000
Producer responsibility-every firm is held accountable for their	4	4.50	.577
products' impact on the environment			
Serving green conscious consumers	4	4.25	.957
Complying with environmental pressure groups	4	4.25	.500
Overall Mean Score			
		4.85	

Source:

Research Data

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

From the findings, it was evident that all the four mobile phone service providers practice green marketing. Various factors were found to have driven the companies into adopting green marketing practices. The findings further indicated that all the factors identified were deemed important in making the decision to adopt green marketing practices by each company.

5.1.1 Green Marketing Practices

The green marketing practices adopted by the mobile phone service providers to a very large extent were: use of biodegradable paper for making scratch cards; printing internal correspondence in back to back format to save paper; encouraging customers to use electronic top-up or virtual air time and participating in environmental clean-ups. Opening up windows during the day to let in fresh air as opposed to using air conditioning systems in the offices; use of office furniture made of recycled wood products like Medium Density Fiberboard (MDF); use of natural lights during the day to save on electricity; use of locally manufactured products to reduce carbon emissions associated with shipping from abroad was practised to a large extent. Use of alternative sources of energy in various projects like wind and solar energy; endeavoring to source for supplies from environmentally conscious suppliers and encouraging staff to switch off lights not in use by posting reminders at power switches was practised to a very small extent.

5.1.2 Factors Contributing Towards Adoption of Green Marketing

The most important factors that drove the mobile phone service providers to adopt green marketing practices were: corporate social responsibility; concern for the environment; adherence to government policy requirements; competition for scarce resources;

personal satisfaction; having better and superior products; increasing the firm's market share; competitive advantage, enhanced corporate image and higher returns on investment. Producer responsibility, serving green conscious consumers and complying with environmental pressure groups were not deemed to be as important as the rest of the factors. These three marginally contributed towards adoption of green marketing practices by all the companies surveyed.

5.2 Recommendations

Research findings show that various independent factors give a company impetus to adopt green marketing. From the findings of the firms surveyed, the researcher infers that green marketing is seen to be an important ingredient in growing the company's market share and attracting investors. I would thus recommend that the government enforces the environmental policy by highlighting the inherent benefits of green marketing to individual firms so that more firms can be compelled to practise green marketing.

5.3 Limitations of The Study

The study focused on the mobile phone service providers and as such, the research findings cannot be generalized for the entire mobile phone industry as there are other players in the industry. The study was time limiting as it had to be conducted within a short period despite it being broad. The marketing manager who was the intended respondent in each company was not easily available to give a response. Thus, the response was drawn from managers in other fields.

5.4 Suggestions for Further Research

Further research may be carried out on factors contributing towards adoption of green marketing in the mobile phone industry as well as in other industries.

5.5 Conclusion

The objective of this research was to determine whether green marketing is practised by mobile phone service providers in Kenya and if so, identify the factors that compelled these firms to adopt green marketing practices. Green marketing is an important aspect of sustainability. The companies that will succeed going forward are those that are conscious about their environment and are keen to preserve the scarce resources that the country has to offer. Such are the companies that will command the largest market share and record the highest returns on investment, thereby attracting even more investors. Green marketing is indeed important to the future survival of mankind; all stakeholders, from the government to the ultimate consumer need to take each company to task so that green marketing is adopted by all.

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Appendix I: Introduction Letter

Cineth Kerubo Oburu D61/P/7360/05 University of Nairobi P.O. Box 11792-00100

Nairobi

(Date)

Dear Sir/Madam,

RE: REOUEST FOR RESEARCH DATA

I am a Master of Business Administration student at the University of Nairobi carrying out a research project in partial fulfillment of the requirements of the degree. My research topic is Factors Contributing towards Adoption of Green Marketing Practices in Kenya: A Survey of the Mobile Phone Service Providers in Kenya.

Your organization has been selected to take part in this study. I do hereby request you as a representative of your organization to take a few minutes and fill in the attached questionnaire. The information collected will be used for academic purposes only and high levels of confidentiality will be observed. A copy of the project will be submitted to your organization on request.

Thank you.

Yours faithfully,

Cineth Kerubo Oburu

Appendix II: Questionnaire

SECTION A

The information derived from the questionnaire will be treated with confidentiali	ty
and will not be used for any other purpose other than academic.	

1.	Name of the organization:
2.	Position of the respondent in the organization:
SECT	TION B
Green	marketing is the marketing of environmentally friendly products and / or services
which	take into account environmental issues such as wastefulness of resources,
polluti	ion as well as the release of toxins into the atmosphere. Green marketing is also
the ma	anagement process responsible for identifying, anticipating and satisfying the
requir	ements of customers and society in a profitable and sustainable way.

- 3. In view of the above, does your Organization practise green marketing? Please tick.
 - a) Yes ()
 - b) No ()
- 4. The following are green marketing practices. Please indicate the extent to which your firm practises them using a scale of 1 to 5 where:
 - 1 = No Extent
 - 2 = Small Extent
 - 3 = Moderate Extent
 - 4 = Large Extent
 - 5 = Very Large Extent

Green Marketing Practices	1	2	3	4	5
Encourage customers to use electronic top-up or virtual airtime.					
Use of biodegradable paper for making scratch cards.	1				
Encouraging staff to switch off lights not in use by posting					
reminders at the power switches.					
Unplugging electric gadgets like printers and PCs not in use.					
Use of pressing taps in the washrooms.		-			
Using natural lighting during the day to save on electric cost.					
Participating in environmental clean ups.					
Sponsoring environment conservation activities.					
Printing internal correspondence in back to back format to save					
paper.					
Sending internal memos to staff on email.					
Reuse of paper that has print on only one side of the paper.					
Use of office furniture made of recycled wood products like MDF					
(Medium Density Fiberboard).					
Use of energy saving bulbs for lighting in the office.					
Encouraging use of reusable items such as glass and ceramic cups					
instead of paper and / or plastic cups.					
Educating consumers about environmental conservation by posting					
messages on the company website.					
Encouraging customers and staff to keep the environment clean by					
placing bins in strategic places.					
Encourage customers to return their old mobile phones to be sent					
back to the manufacturer for recycling.					
Issuance of electronic pay-slips to staff.					
Use of locally manufactured products to reduce the carbon					
emissions associated with shipping in similar goods from abroad.					

Green Marketing Practices	1	2	3	4	5
Encourage customers to dispose of used scratch cards in bins to					
avoid littering.					
Open up windows during the day to let in fresh air as opposed to					
using air conditioning systems in the office.					
Use of solar energy in the office for lighting or heating					
Promote use of environmentally products like solar powered cell					
phones					
Consider use of alternative sources of clean energy in various					
projects like wind energy, solar energy and others					
Encourage recycling of waste like return of obsolete cell phones					
and accessories					
Endeavouring to source for supplies from environmentally	<u> </u>				
conscious suppliers					
Carrying out all the organization's activities in a manner least likely					
to pollute the environment					

SECTION C

- 5. The following factors contribute to adoption of green marketing practices by a firm. Rank them in order of priority to your organization using a scale of 1 to 5 where:
 - 1 = Not Important
 - 2 = Least Important
 - 3 = Indifferent
 - 4 = Important
 - 5 = Very Important

Factors	1	2	3	4	5
Posting higher returns on investment					
Enhanced corporate image that lures investors					
Having a competitive advantage in the market					
Increasing the firm's market share					
Having better and superior products that ensure repeat business from consumers					
Personal satisfaction for contributing towards a sustainable environment					
Competition for scarce resources					
Adhering to government policy requirements					
Complying with environmental pressure groups					
Serving green conscious consumers					
Having concern for the environment					
Corporate social responsibility – giving back to	1				
the community that you serve					
Producer responsibility – every firm is held		1			
accountable for their product's impact on the					
environment.					

Thank you very much for taking your time to respond.