

Relationship Between Green Marketing Practices and Customer Satisfaction in the Soft Drink Industry in Nairobi Kenya

M/s Rachael Wairimu Macharia¹ Prof Francis N. Kibera² Prof. J. N. Munyoki² Dr. Mary .W. Kinoti³

1. Scholar, School of Business, University of Nairobi

2. Professor, School of Business, University of Nairobi

3. Doctor, School of Business, University of Nairobi

Abstract

The broad objective of the study was to establish the influence of green marketing practices and Customer Satisfaction in the soft drink industry in Kenya. The specific objective was to establish the relationship between green marketing practices and Customer satisfaction in the Soft Drink industry in Nairobi Kenya. This study was anchored on consumer behavior theory and was guided by positivistic philosophy. The study adopted a descriptive cross-sectional research design to determine how green marketing practices affect customer satisfaction in soft drink companies in Nairobi County, Kenya. The study targeted a sample of 180 trade customers and 162 soft drink firms but, the researcher managed to successfully collect data from 130 of the trade customers and 102 soft drink firms. Since Cronbach's Alpha is the most commonly used measure of co-efficient of internal consistency, the study adopted the same. Descriptive statistics (mean scores and measures of dispersion) and inferential statistics (correlation, analysis of variance and regression analysis) was conducted to determine the expected relationships between green marketing practices and customer satisfaction. The study results revealed a statistically significant positive linear relationship between green marketing practices and customer satisfaction ($\beta = .389$, $p\text{-value} = 0.002$). The relationship was statistically significant because the $p\text{-value}$ is less than the set value of 0.05 ($p\text{-value} = 0.002$). The regression results also showed that green marketing practices had explanatory power on customer satisfaction in the soft drink industry in Nairobi Kenya in that it accounted for 22.3 percent of its variability ($R\text{ square} = 0.223$). Based on the overall study results obtained from the tests of the study hypotheses, it is concluded that there was a relationship between green marketing practices and customer satisfaction in the soft drink industry in Nairobi Kenya.

Acknowledgment

First and foremost, I would like to acknowledge the power of the almighty God for his sufficient grace, strength and courage to soldier on throughout the process of doing this thesis. I am greatly humbled by all the knowledge that I have acquired through others by the help of God.

I wish to acknowledge the entire PhD teaching and support staff at the University of Nairobi for the immense support accorded to me during the whole period of study. Special thanks go to my University Supervisors, Prof. Francis Kibera, Prof. Justus Munyoki and Dr. Mary Kinoti for their genuine guidance, time and efforts, invaluable advice, positive criticism and speedy feedback of the work as the project continued. I wish you Gods' blessings. I highly acknowledge the immeasurable scholarly wealth of knowledge exhibited from panel members during my presentations that contributed a lot to my research completion.

I sincerely appreciate the logistical support provided by the Kenya Bureau of standards officials, all my respondents, research assistants and data analysts without whom this research work would not have been a reality. Thank you so much for all the necessary information accorded to me by all of you.

Finally special thanks and appreciation go to my larger family and friends for their love, encouragement and moral support. I wish you well in all your endeavors and God blessings.

Keywords: Green Marketing Practices, Customer Satisfaction, Soft Drink Industry, Nairobi Kenya

1.1 Background of the study

Green marketing refers to the promotion of environmentally safe products. Different scholars use various terminologies to describe green marketing. These include: green marketing, environmental marketing and ecological marketing (Polonsky, 1995). The American Marketing Association (AMA) refers green or ecological marketing as the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion (Kinneer, 1973). AMA describes green marketing as the marketing of products that are presumed to be environmentally safe. It incorporates several activities such as product modification, changes to production processes, packaging, advertising strategies and also increases awareness on compliance marketing amongst industries. According to Srivastava (2007), green marketing is the integration of environmental thinking into product branding, including product design, material sourcing and selection, manufacturing processes, packaging of the final product to the consumers as well as end-of-life management of the product after its useful life. Polonsky (1995) refers to green marketing as consisting of all activities designed to generate and facilitate any exchanges intended to satisfy human needs, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Therefore, there is no universally accepted definition of green marketing. Polonsky's description of green marketing will be used in this study since it incorporates most of the traditional components of the conventional marketing explanation and the protection of natural environment.

Green marketing incorporates a broad range of actions, including product modification, changes to the production process, packaging changes, as well as modifying advertising (Peattie, 2001). By creating social and environmental value, sustainability marketing tries to deliver and increase customer value. Similar to the modern marketing concept, sustainability marketing analyses customer needs and wants, develops sustainable solutions that provide superior customer value, and prices, distributes and promotes them effectively to selected target groups. This study has analyzed green marketing practices using the conventional 4Ps framework which consists: product, price, distribution and the promotion and the other two practices namely green brand positioning and processes.

Some of the green products practices available in the literature are product design, quality features, labeling, Packaging and positioning. Design dimensions of a greener product strategy covers a wide range of design for resources conservation and source decline, design for pollution avoidance, reconditioning, remanufacturing, disposability, reuse and recycling (Pujari & Wright, 1996). Packaging of products includes the general aspects of branding, design and layout of collateral, and broad components of the materials offered to consumers (Lieberman, 2002). The main requirement of the regulations is that no one who is responsible for packing or filling products into packaging or importing packed or filled packaging, may place that packaging on the market unless it fulfills the essential requirements and is within the heavy metal concentration limits. Environmental labeling of products is displayed by either using environmentally safe symbols or messages. Their primary aim is to inform the customer of the environmental safety characteristics of the product and assist corporation's position themselves as environmentally concerned organizations (D' Souza et al, 2006). Customers have a notion that green actions are expensive because of the premium prices firms charge for green products (Prakash, 2002). Consumers can convey their societal and environmental concerns by purchasing differentiated products and by willing to pay premiums. The premium prices arise as a result of extra costs firms incur in making a product or firm green. The literature on sustainability has largely examined the issue of willingness to pay and asserts that consumers generally accept that the prices of green products are relatively higher than those of their conventional counterparts (Harris & Freeman, 2008), and are even willing to pay more for them (Gam et al., 2010). Distribution logistics is of crucial importance in green product marketing. Environmental concerns has broadened the scale of distribution and logistics as well as influenced the way distribution and logistics managers perform their duties. With respect to broadening the scope of the logistics the salvage, disposal of scrap and packaging are now handled by logistics managers. Zhu et al (2005) state that green distribution issues range from green purchasing, integrated supply chains flowing to suppliers, to manufacturers, to consumers to reverse logistics.

Polonsky et al (1997) describes green promotion as activities of promoting products as having characteristics that do not harm the natural environment. According to Benerjee et al (1995) it should explicitly or implicitly addresses the relation between a product/service and the bio-physical environment, promote a green lifestyle with or without highlighting a product/service and/or presents a corporate image of environmental responsibility. Most buyers are influenced by advertisement that reflects a company's commitment to environment (Polonsky & Ottman, 1998). Brand recognition and other reactions are created by the use of the product or service and through the influence of advertising, design, and media commentary (Johansen, 2003).

Brand positioning is based on the interaction of all marketing tools, with an accentuated role for marketing communications because of its relevance in the process of shaping distinct consumer perceptions. The brand's added values are those that are relevant and appreciated by consumers and which are over and above the basic functional role of the product (Chernatony and McDonald, 1998). Aaker and Biel (1993) explain that the strength of a consumer's brand attitude or perception may be one of the most significant components of overall brand strength. A green brand identity is described by specific set of brand attributes and benefits related to the reduced environmental impact of the brand and its perception as being environmentally sound. There is little doubt about the strategic importance of adequately defined brand associations and the relevant role of brand communication (Keller, 1993). Green branding comes in handy in assisting most organizations differentiate their products and services, associating them with environmentally safe products attributes and benefits.

Green process strategies involve developing and executing manufacturing and operation processes that reduce or eliminate wastes, reduce energy consumption, improve material utilization efficiency, and improve operational safety (Lin et al, 2001). Distinctive analysis model used to ascertain whether the process is environmental friendly includes; Life Cycle Analysis, design for the environment and ISO 14000 compliance. These analyses motivate managers to evaluate inputs and outputs (Kinoti, 2012). Life cycle analysis focuses on the analysis of the design and its associated design outputs; specifically it evaluates the types and quantities of product inputs such as, energy raw materials and product output such as atmospheric emissions, water and end product. Swenson and Wells (1997) view customer satisfaction as either an outcome or a process. An outcome as

satisfying the end state resulting from the consumption experience and a process as the perceptual evaluative and psychological process that contributes to satisfaction. The explanation is varied with regards to its level of simplicity which includes product satisfaction, satisfaction with the purchase decision experience, satisfaction with the performance attributes, satisfaction with the outlet or institution and satisfaction with pre-purchase experience (Wagner, 2003).

According to Oliver (1997) satisfaction refers to a consumer's judgment that a product or service feature, or the product or service itself, was providing a pleasurable level of consumption-related fulfillment, including levels of under or over-fulfillment. Customer satisfaction can be seen as a fulfillment of consumer's consumption goals as experienced and described by consumers (Oliver, 2006). Therefore, customer satisfaction is important for companies and other organizations in their efforts to improve product and service offerings and maintain customer loyalty in the face of growing intensity of green competition. Satisfaction also refers to a customer's overall evaluation of how pleasurable their interaction with an organization is including the buying and use experience, relative to his or her expectations. It reflects a person's comparative judgment resulting from a product's perceived performance in relation to his or her expectations. It is an overall customer attitude or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire (Ronald, 2010).

For call centers, support, and service desks, first call resolution is the honored grail. Service reflects on employee attitude and has been found to be a major determinant of Customer defections (Adams, 2006). Employee satisfaction, in turn results primarily from high quality support services and policies that enable employees to deliver results to customers (Capek, 2007; Heskett et al, 2008). For a company operation, product delivery and project implementation, on-time performance is the measuring stick. In a high transaction business, the first interaction with a customer will be a key determinant of whether the customer will return. Customer complaints can act as an indicator that the level of customer satisfaction is falling (Nigel, 2000). It is very advisable not to rely solely on complaints for this purpose since research has consistently demonstrated that much customer satisfaction is never reported back to the suppliers, although it is usually voiced to colleagues, family and friends. Not all dissatisfied consumers complain, it is likely that many times complaints come in from consumers who are satisfied. It is evident that companies receive complaints from a small fraction of their total number of consumers (Oliver, 2006).

Complaints are generally seen as being expressions from consumers about dissatisfactory experiences. Viewed in this manner, complaints may be very useful for the firm in the discovering and eliminating product and marketing problems. A problem unrecognized is a problem unsolved. Complaints help firms recognize problems in the marketplace. As such, complaints are very useful indicators of market performance (Oliver 1996). As far as customer satisfaction measurement is concerned it is useful to maximize customer communications as they provide valuable pointers to topics which should be covered in the customer survey and should certainly be incorporated into exploratory research (Crawford, 2007). The real reason of consumer complaints can stay hidden and complaints can stem also from unreasonable expectations, from the inability to understand if a problem really exists and from the incapability to use properly a product or a service. Even when a problem subsists, the consumer can be responsible of it or the cause can be a factor beyond both the consumer's and the manufacturer's control (Oliver 1987).

The relevant marketing literature suggests that there is a relationship between customer satisfaction and loyalty. Satisfaction leads to attitudinal loyalty. It could be seen as the intention to purchase (Menon, 1999). Satisfaction is an outcome that occurs without comparing expectations and could also be an evaluative response to perceived outcome of a particular consumption experience. It is an overall judgment on satisfaction based on the assumption that satisfaction is the outcome of service quality. Therefore, green satisfaction (GS) is defined in this study as a pleasurable level of consumption-related fulfillment in order to satisfy specific green needs and environmental responsibilities (Chen, 2009). Customer satisfaction is closely linked to future purchase behaviour and willingness to recommend and is a strong predictor of loyalty and customer retention (Kabare, 2013). A satisfied customer will not complain but refer others to their service providers. This is determined by customer satisfaction assessment that is used to develop a strong value proposition, one that is persuasive, distinctive, measurable, defensible and sustainable (Krivobokova, 2009).

1.2 Statement of the problem

There is linkage in literature on the concepts of green marketing practices and customer satisfaction (Sihem & Mohamed, 2013; Chang & Fong, 2010; Klein et al, 1995). Green marketing practices have an influence on customer satisfaction (Sivesan & Umanakenan, 2013). There has been an argument whether green marketing practices contributes to competitive advantage. Some authors assert that environmental management may be a tool, which helps organizations to improve their competitiveness (Ambec & Lanoie, 2008; Hart, 1995; Porter & Van der Linde, 1995). However, others have questioned the value laden of ecological advocacy (Derek et al, 2013; Walley and Whitehead, 1994). Green marketing practices can help organizations get more customers and

make more money if it is customer satisfaction targeted and it is well implemented.

With consumers becoming more health-conscious, non-carbonates remain a key growth driver. The rising health awareness has also bolstered demand for juice and water, with manufacturers in all major soft drinks categories responding by diversifying their portfolios. The year 2013 saw increasing competition in the soft drinks market following the return of Pepsi Cola to the Kenyan market. This immediately led to a price war with Coca-Cola (TCC, 2007). Although soft drink companies could realize the benefits of energy efficiency to their business which motivates them to implement green technologies, there is a lack of knowledge about the factors affecting the green customer satisfaction in the soft drink industry in Kenya, which does not encourage the companies to benefit from green practices. The study suggested that soft drink companies can benefit more by adding value to their brand by enhancing their brand image and spreading awareness to customers about the environmental responsibility.

In Kenya several green marketing studies have been conducted but in relation to different variables and in different context (Kiongora, 2003; Kalama, 2007; Mwirigi, 2007; Oburu & Kinoti, 2012). All these studies focused on the green strategies the organizations employed but none of them addressed the issue of customer satisfaction in adopting the green marketing practices. Kinoti (2012) conducted a study on green marketing practices in relation to corporate Image, organization characteristics and performance of ISO 14000 certified organizations in Kenya. The study concluded that there was a positive relationship between green marketing practices and firm performance. In this regards the study recognized that customer satisfaction contributes greatly to firm performance and recommended that further studies should be conducted targeting consumer's satisfaction on green marketing practices. The studies lacked framework to address the issue of customer satisfaction in the relationship between green marketing practices.

The current study brought together green marketing practices (enabler variables) customer satisfaction (dependent variable). As such, the researcher identified the knowledge gap with respect to research design, nature and the number of variables studied to answer the research question: 'To what extent do Green marketing practices influence customer satisfaction under the Kenyan context?'

1.3 Objective of the study

To establish the relationship between green marketing practices and Customer satisfaction in the Soft Drink industry in Nairobi Kenya.

1.4 Hypothesis

H₁: There is a statistically significant relationship between green marketing practices and customer satisfaction.

2.1 Theoretical Review

2.2.2 The theory of consumer behaviour

The consumer behaviour theories contend that a consumer internal influences such as motivation, perception and attitudes interplay with external influences from reference groups, culture, social class and marketing activities and this shapes consumer's needs and desires leading to a consumption decision process (Schiffman & Kanuk, 2007). Consumer behaviour theories that seek to explain how consumer perceptions and attitudes are formed include the theory of reasoned action (Fishbein & Ajzein, 1975), the theory of planned behaviour (Chiou, 1998), the theory of trying (Bagozi, 1992), the tri-component attitude model (Oliver,1993) and expectancy disconfirmation model (Oliver, 1980). The general argument of these theories is that satisfaction is a result of the difference between expected and perceived performance. Customers compare performance expectations with the actual buying and the use experience. Therefore, firms aim to maximize customer satisfaction by managing expectations through appropriate marketing mix variables hence green marketing practices.

The tri-component theory states that the evaluation of satisfaction involves the interplay of three psychological components and results in formation of perceptions about the firm and its products or services (Oliver, 1993). The cognitive component relates to the thinking and evaluation process based on the qualitative superiority of the products given by the performance. It draws on the knowledge and perceptions that are acquired through direct experience with the attitude object and related information from various sources. The affective component relates to the consumer's emotions or feelings about a particular product or brand while conative component deals with behavioural measures based on the interaction between the provider and the customer in the buying process (Schiffman & Kanuk ,2007). The interplay of these three elements as a consumer evaluates current stimuli in light of previous related information or expectations leads to formation of perception. Perception relates to corporate and brand image, expectations and perceived product value. This leads or translates to customer commitment, satisfaction and loyalty. Attribution theory and affective feelings state that if consumers attribute failure to meet expectations as the fault of the product, they will be more dissatisfied than if they attribute the failure to chance factors or their own behaviour. The concept of affective feelings postulates that the level of consumer satisfaction may be influenced by the positive/ negative feelings

that they associate with the product after its purchase and use (Oliver, 1993). Therefore the theory of consumer behaviour and its constituent theories cover the conceptual framework variables explaining the relationships.

2.3 Literature on Green Marketing Practices and Customer Satisfaction

Researchers have argued that going green can be a holistic business solution that adds value to the companies and their stakeholders and that it should be a basic part of the system (Polonsky, 1995; Porter & Van der Linde, 1995). Business continuity and sustainability depend on tackling environmental problems (Baker & Sinkula, 2005). Many corporations view green practices as different, isolated and fragmented sets of activities such as recycling, reducing pollution and energy conservation, while green businesses do not succeed in isolation (Baker & Sinkula, 2005; Nair & Menon, 2008). It is clear that there are economic and competitive opportunities behind the environmental improvements in each company; those improvements add value to both the organization and the customer (Porter & Van der Linde, 1995). In this regard customer satisfaction can result from environmental practices and to achieve this, both the organization and the stakeholders should be connected via a comprehensive green value chain in a sustainable manner.

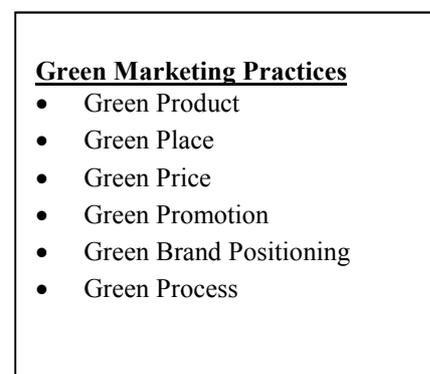
Environmental issues have been tackled by many initiatives from the management and business scholars. Some of these initiatives are total quality environmental management (Banerjee, 1998), corporate environmentalism (Banerjee et al., 2003) and environmental marketing (Charter, 1992; Ottman, 1993). Banerjee (2002) has clarified that a long-term value to the shareholders is created by integrating the social and environmental issues to the business. This thesis has discussed how information on greenness impacts consumer decision making. This presupposes that consumers purchase products mainly based on products' attributes. However, in some other cases, firm-level attributes (greenness of processes and systems) may be key for developing promotional strategies. Possibly consumers want to purchase green products from green firms. From a managerial perspective, if brand attributes are more outstanding, firms should invest in greening products, but if corporate images are more important, focusing on firm-level processes/ systems is desirable (Prakash, 2000).

According to a survey composed of around 200 respondents in Taiwan, green product quality was positively linked to customer satisfaction but a negative relationship between green pricing and customer satisfaction (Chang & Fong, 2010). This study will contend with this conclusion in a different context of soft drink industry in Kenya. Rakhsha and Majidar (2011) studied the effects of green marketing mix on satisfaction and loyalty of customers of a dairy company in Iran. It was concluded that green marketing mix has significant effect on consumer satisfaction. By considering the effect of green marketing mix upon consumers' satisfaction and the effect of satisfaction upon their loyalty, it can be assumed that companies can create competitive advantage in their organization through taking steps in making green marketing part of their overall marketing strategy (Chang & Fong, 2010). Therefore, it was important, to empirically examine the actual impact of green marketing practices on customer satisfaction.

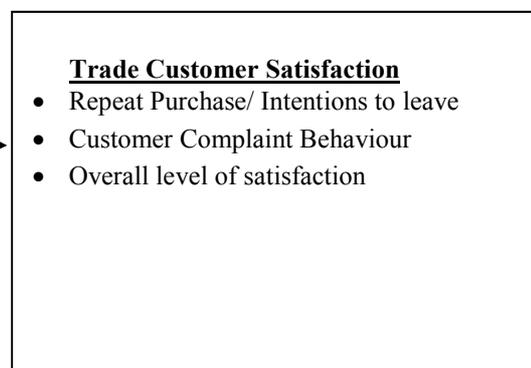
2.8 Conceptual framework

The conceptual model presented here has been derived from the discussions presented in the literature review. The model is represented in terms of the relationship between green marketing practices and customer satisfaction. Green marketing practices element is treated as the independent variable and Customer satisfaction as the dependent variable. The green marketing practices relationship with customer satisfaction construct was hypothesized as shown in figure 2.1.

Independent variable



Dependent variable



3.1 Methodology and Design

The study adopted a descriptive cross-sectional research design to determine how green marketing practices, organizational demographics and perception impacted on customer satisfaction in soft drink companies in

Nairobi, Kenya. A descriptive cross-sectional survey collects data to make deductions and conclusions about a population of interest (universe) and have been regarded as snapshots of the populations from which researchers collect data. It assisted the researcher in establishing whether significant associations among variables exist at some point in time (Cooper & Schindler, 2006). Raman (2008) found out cross-sectional studies have robust for effects of relationship studies. Descriptive survey design allows for the collection of large data from sizable population. This enables the researcher to provide a cohesive summary of issues or events as described by the participants (Sandelowski, 2000). The choice of this design was appropriate for the study since it utilizes a questionnaire as a tool of data collection. This is supported by Gall et al (2003) who asserted that this type of design enables one to obtain information with sufficient precision so that hypothesis can be tested properly. This type of design has recently been used in similar studies by Kabare, (2013); Njeru, (2013); and Kinoti, (2012).

3.2 Population

The study focused on two populations. Group one comprised of both locally and foreign owned registered soft drink firms operating within the boundaries of Nairobi County. As at December, 2014 there were one hundred and sixty two (162) listed companies (Kenya Bureau of Standards, 2014). The list of the soft drink companies is shown in Appendix 4. Group two comprised of trade customers of soft drink industries who have a direct link with the supplier/ manufacturers. The trade customers included distributors and wholesalers whose population was 341. The researcher considered this population appropriate because soft drink firms were likely to have adopted green marketing practices owing to customers concerns on health and environment issues. The soft drink companies provided the links to their trade customers.

3.5 Sampling Procedure

The researcher used the formulae suggested by Fisher, Laing and Stoeckel (1985) for determining sample size of the trade customers. A sample size of 180 trade customers was used in the current study which was arrived at using the formula as follows:

$$N = \frac{Z^2(P)(1 - P)}{E^2} = \frac{(1.96^2 \times 0.5^2)}{0.05^2} = 384$$
$$nf = \frac{n}{1 + n/N} = \frac{384}{1 + (384/341)} = 180 \text{ Trade customers}$$

Where

- n= the desired sample size (if the target population is greater than 10,000)
- nf= is the desired sample size (when the population is less than 10,000).
- N= the Population (in this case 341)
- Z= level of confidence expressed in standard deviations (Z=1.96 at $\alpha=0.05$).
- P= Proportion of the sample assumed to possess a characteristic or attribute.
- E= maximum sampling error the researcher (user) is willing to accept in the results. At 95% level of confidence the allowable error (α) is=0.05.

Random sampling by making a compiled complete list of all the elements in a population from the lists received from the suppliers, assigning each a number and then drawing a set of random numbers which identifies n members of the population to be sampled was used to select sample elements.

3.4 Data Collection

The relevant data was collected from both secondary and primary sources. Primary data was collected on the study variables through the use of two semi- structured questionnaires: one for the manufacturers and another for their direct trade customers. Key informant method was used to administer questionnaires. Key informant method was recommended by Kumar, Stern and Anderson (1993). It is described as obtaining data from persons whose professional and/or organizational responsibilities indicate that they have knowledge about specific characteristics of the population being studied (Warheit, Bulh and Bell, 1978; O'cass et al., 2004). One respondent was interviewed in each firm. Some previous researchers have proposed the use of multiple informants, while other scholars have supported single informants giving the reason that they provide data that are reliable and valid as multiple informants (O'cass et al., 2004; Narver and Slater, 1998). This is consistent with previous studies that have used key informants method to study green marketing practices and customer satisfaction relationships (polonsiek et.al, 2011; Zebal and Kinoti, 2012). The study targeted three hundred and forty two (342) respondents of both manufacturers and trade customers.

3.5 Data Analysis

The data collected were first cleaned, coded and organized in a manner that facilitated analysis using the Statistical Package for Social Sciences (SPSS). Descriptive statistics (mean scores and measures of dispersion) and inferential statistics (correlation, analysis of variance and regression analysis) was conducted to determine

the expected relationships between green marketing practices, Organizational demographics, customer perception and Satisfaction. Saunders *et. al* (2009) emphasized on the importance of descriptive analysis since it forms the basis of correlation and experimental studies. Regression analysis was carried out to measure the relationship between variables and also establish the strength of linear association between the variables. A 95% confidence level was used in this study. The general formula for predicting customer satisfaction was presented by the model

$$CS = \beta_0 + \beta_1 X_1 + \varepsilon$$

CS= f(green marketing practices),

Where: β_0 = intercept, CS = Customer satisfaction

β_1 is beta coefficients

X_1 represent dimensions of green marketing practices,

ε is the error term

4.1 Study Findings

4.1.1 Green Marketing Practices

Green marketing practices was assessed by six statements namely green product, green price, green place, green promotion, green brand positioning and green process. Table 4.1 presents the relevant result which shows that on the scale of 1 to 5 (where 5= the greatest extent and 1 is the lowest extent).

Table 4.1 Intensity of Green Marketing Practices by the manufacturing firms

Green Marketing Practices	N	Mean	Std. Deviation	t-value	Significance (P-value)
Green product	102	3.340	.900	48.814	0.000
Green price	102	3.550	.804	43.452	0.000
Green place	102	3.400	.710	36.291	0.000
Green promotion	102	3.650	.613	34.891	0.000
Green brand positioning	102	3.350	.963	27.372	0.000
Green process	102	3.600	.916	38.380	0.000
Overall mean score=3.482					

Source: Primary Data

The study results revealed that green promotion had the highest mean score of 3.65 followed by the Green process with a mean score of 3.60. However, Green product (mean 3.35) and Green brand positioning (mean 3.34) had moderate intensity. Overall, the intensity of green marketing practices was considerably high (mean 3.482). The relatively high level of adoption of these practices in a country like Kenya could be attributed to the government regulations and customer concerns as a result of environmental awareness creation among other factors. This section also compares mean scores of respondents' perceived soft drink manufacturers' performance across the attributes of green marketing practices. These are compared to the levels of importance the intermediaries' respondents placed on the respective features. The results were used to show the difference between customer expectation and actual attribute performance by the manufacturers.

4.1.2 Customer Satisfaction

The level of customer satisfaction was assessed through trade customer respondents' indication by three measures namely repeat purchases, complaint handling behavior and the overall customer satisfaction. To asses on the common features considered in satisfaction surveys, the soft drink manufacturers' respondents were asked to indicate the extent to which their organization surveyed customer satisfaction on fourteen customer satisfaction constructs. This is presented in Table 4.2.

Table 4.2 Soft Drink Manufacturers Customer Satisfaction features

Tools of customer feedback	N	Mean	Std. Deviation	t-value	Significance (P-value)
To develop a new brand we survey for features critical to quality	130	4.452	.071	32.184	0.000
To alter existing brand we survey for critical green product quality features	130	2.950	.657	29.814	0.000
We conduct surveys often to access customers image of our brand	130	3.050	.687	30.252	0.000
We conduct customer Retention assessment often	130	4.050	.203	28.280	0.000
We record customer complaints and follow ups are done	130	2.400	.743	26.324	0.000
We record response time to customers request and use it on service level	130	3.750	.829	33.452	0.00
We conduct distributors satisfaction survey often	130	3.400	.860	26.292	0.00
We interview distributors of other soft drinks on green marketing practices.	130	4.150	.726	26.321	0.000
We interview customers of other brands on perceived green marketing practices	130	4.100	.830	27.374	0.000
Feedback got through our frontline satisfaction is used well by our firm	130	3.750	.887	29.346	0.000
We use mystery shoppers in satisfaction surveys	130	3.950	.739	26.482	0.000
Customer Loyalty & Retention					
How good has the organization been experiencing repeat purchases	130	3.400	.860	26.292	0.000
Customer complaint Behaviors					
How good has the organization been in solving customers complaints	130	2.440	1.7435	26.324	0.000
Overall mean score=3.815					

Source: Primary Data

The results in Table 4.2 show that to develop a new brand we survey for features critical to quality (Mean 4.452) and also we conduct customer retention assessment often (mean 4.050) had the highest mean scores. However, we conduct surveys often to access customers image of our brand (mean 3.030) and to alter existing brand we survey for critical green product quality features (mean 2.950) all had moderate intensity. Overall, the level of customer satisfaction was considerably high (mean 3.815). The results reveal that at one-sample t-test comparison of the level of customer satisfaction mean score indicates differences that were all statistically significant. The extent of customer satisfaction varied from one firm to another. To develop a new brand we survey for features critical to quality had the highest difference (t-value = 32.184, p-value < 0.05) and it was followed by we conduct surveys often to access customers image of our brand (t-value=30.252, p-value < 0.05). On the other hand, the lowest difference was reported in we record customer complaints and follow ups are done (t-value=26.324, p-value < 0.05) followed by customer loyalty & retention (t-value=26.292, p-value < 0.05).

4.2 Relationship between Green Marketing Practices and Customer Satisfaction

The first objective of the study was to establish the relationship between green marketing practices and customer satisfaction in the soft drink industry in Nairobi Kenya. The study had postulated that the relationship between green marketing practices and customer satisfaction in the Soft Drink industry in Nairobi Kenya was statistically significant. The indicators of Green marketing practices are green product, green price, green place, green promotion, Green Brand Positioning and Green Process which were used to test the hypothesis stated as bellow.

H_A: There is a statistically significant relationship between green marketing practices and customer satisfaction.

The aggregate mean score of customer satisfaction (dependent variable) were regressed on the aggregate mean score of green marketing practices (Independent variable) and the relevant results presented in Table 4.3. The stepwise regression analyses results of the green marketing practices predicting customer satisfaction. The regression analyses revealed that all the green marketing practices had positive influences on customer satisfaction with all of them having statistically significant effects at p< 0.05. The study results

revealed a statistically significant positive linear relationship between green marketing practices and customer satisfaction ($\beta = .389$, p -value = 0.002). The relationship was statistically significant because the p -value is less than the set value of 0.05 (p – value = 0.002). The regression results also showed that green marketing practices had explanatory power on customer satisfaction in the soft drink industry in Nairobi Kenya in that it accounted for 22.3 percent of its variability (R square = 0.239) hence the study failed to reject hypothesis H_A .

Table 4.3 Results for Hypothesis One

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.489(*)	.239	.149	1.0520

a predictors: (constant), Green marketing practices

b dependent variable: Customer satisfaction

b) ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	12.074	1	12.074	12.921	.002(*)
Residual	91.255	129	1.314		
Total	103.329	130			

a predictors: (constant), Green marketing practices

b dependent variable: Customer satisfaction

c) Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		T	Sig.
		B	Std. Error	Beta			
1	(Constant)	4.906	5.993			5.155	.004
	Green marketing practices	.209	1.637	.489		2.571	.002

a Dependent Variable: Customer satisfaction

- Lever of significance, $\alpha = 0.05$

Source: Primary Data

Arising from the results in Table 4.3, the resulting simple linear regression model that can be used to predict the level of customer satisfaction in the soft drink industry in Nairobi Kenya for a one standard deviation improvement in green marketing can be expressed as:

$$CS = 4.906 + 0.489GM + \epsilon$$

Where:

GM is the green marketing

CS = customer satisfaction

ϵ is the error term- random variation due to other unmeasured factors.

The standardized beta coefficient 0.398 represents the expected improvement in customer satisfaction for a unit standard deviation improvement in green marketing practices. This means that, holding other factors constant, a one standard deviation improvement in green marketing would raise the level of customer satisfaction by a factor of approximately 0.489 of a standard deviation. The study failed to reject the hypothesis and found out that there is a statistical relationship between green marketing practices and customer satisfaction.

5.1 Summary of the Findings

The results of the study revealed that the relationship between green marketing practices and customer satisfaction in the soft drink industry in Nairobi Kenya was statistically positive and also highly significant. This is because the p -value is less than the set value of 0.05 (p – value = 0.000). This agrees with the findings of Kabare (2013) who found that customer perception constructs, had the greatest positive and statistically significant effect on customer satisfaction in maize flour mills in Nairobi county Kenya. The results revealed that there was a significant positive relationship between green marketing practices, customer perception and organizational demographics on customer satisfaction in the soft drink industry in Nairobi Kenya.

5.2 Conclusion

Based on the overall study results obtained from the tests of the study hypotheses, it is concluded that there is a relationship between green marketing practices and customer satisfaction in the soft drink industry in Nairobi Kenya and the relationship is positive and statistically significant ($p < 0.05$). Also, dimensions in the green marketing practices as green issues in product, price, promotion, place, process and brand positioning have the significant relationship with customer satisfaction.

5.3 Implications of the Study

The implication of the results to the practice is that green marketing is a worthwhile strategy which the management should be committed to in order to gain competitive advantage in a competitive industry with changing dynamic marketing environment. The findings will therefore assist the marketing managers to convince the senior management and business owners on green marketing issues to be implemented due to widespread perception that green promotion may have a negative impact on sales due to “green wash”(Polonsky, 2001). Further, managers will realize that green marketing practices serve the purpose of dealing with the organization’s direct or indirect actual or potential negative impact to the environment in satisfying consumer needs. The findings will also help managers understand that businesses in all industries get affected by environmental concerns and therefore firms’ should be sensitive to these influences so as to remain competitive.

References

- Aaker, D., & Shansby, J. (1982). Positioning your product. *Business Horizons*, 25(5), 56-62.
- Aaker, D. A., & Stayman, D. M. (1992). Implementing the concept of transformacional advertising. *Psychology and Marketing*, 9 (6), 237-253.
- Aaker, D., & Biel, A. (1993). *Brand Equity and Advertising: Advertising’s role in Building Strong brands*. Lawrence Erlbaum: Associates Publishers.
- Alvarez, M. J., Burgos-Jimenez & Cespedes, J. (2001). An Analysis of Environmental Management, Organizational Context and Performance of Spanish Hotels. *Omega* 29, 457–471.
- Ambec, S., & Lanoie, P. (2008). Does it pay to be green? A systematic overview. *Academy of Management Perspectives*, Vol. 22 No. 4, pp. 45-62.
- Banerjee, S. B. (1999). *Corporate Environmentalism and greening of strategic marketing, Implications for marketing theory and practice: Greener marketing, a global marketing. Perspective on greening marketing practice* edited by charter M and Polonsky M.J (2nd ed). Sheffield UK: Greenleaf publishing.
- Barney, J.B. (1986). Organizational Culture: Can It Be a Source of Sustained Competitive Advantage?. *Academy of Management Review*, 11(3), 656- 665.
- Baron, R.M., & Kenny, D.A. (1986), The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51 ,1173-82.
- Baumann, C., Suzan, B., & Greg, E. (2005): Determinants of Customer Loyalty and Share of Wallet in Retail Banking: *Journal of Financial Services Marketing*, 9 (3), 231-48.
- Blythe, J. (2008). *Essentials of Marketing* (4th ed.): Pearson Education. ISBN 978-0-273-71736-2.
- Buil-carrasco, I., Fra-Andres, E., & Matute, V. J. (2006), Corporate environmentalism strategy in the Spanish consumer product sector: A Typology of firms, business strategy and environment. Published *online at www.interscience.wiley.com* .1-21.
- Carmona, S. E., Cespedes, J., & Burgos-Jimenez, J. (2004). Environmental Strategies in Spanish Hotels: Contextual Factors and Performance. *Service Industries Journal* 24(3), 101–130.
- Chamorro, A., & Banegil, T.M. (2006). Green marketing philosophy: A study of Spanish firms with Eco-labels. *Corporate social responsibility and Environmental management*, 24, 11-24.
- Chernatony, L. & Mc Dolnad M. (1998). *Creating powerful Brands in consumer , service and Industrial markets* (2nd ed). Butterworth Heinemann.
- Cooper, D.R., & Schindler, P.S. (2006). *Business Research Methods*. 9th Ed. NY: McGraw-Hill.
- Chen, Y.S. (2008). The driver of green innovation and green image-green Core competence. *Journal of Business Ethics*, 81(3), 531–543.
- Chen, Y. S. (2011). Green organizational identity: sources and consequence. *Management Decision journal*, 49(3),384-404.
- Crane, A. (2000). Marketing and the Natural environment: What role for morality. *Journal of macro marketing*, 20(2), 144-154.
- Crawford R. (2007). *Customer Priorities: what customers really want*. www.instituteofcustomerservice.com.
- Creswell, J. W., & Plano Clark, V. L. (2011). *Designing and conducting mixed methods research* (2nd ed.). Thousand Oaks, CA: Sage.
- Dekhili, S. & Achabou, M. (2013). Price Fairness in the Case of Green Products: Enterprises’ Policies and Consumers’ Perceptions. *Business Strategy Environment*. 22, 547–560
- Deshpande, M. N. (2011). A Conceptual framework of Green Marketing: A tool for sustainable development. *International Journal of Sales & Marketing Management*, 1(1), 1-6.
- Derek, S. R, William A. R., & Jeffrey, A. L. (2013). The relationship between environmental advocacy, values, and science: a survey of ecological scientists' attitudes. *Ecological Applications*, 23, 1226–1242.
- Donaldson T., & Preston, L. (1995). The Stakeholder Theory of Corporation: Concepts,Evidence and Implications. *Academy of Management Review*, 20, 65-91.

- Fairchild, A. J., & MacKinnon D. P. (2009). A General Model for Testing Mediation and Moderation Effects. *Prevention Science*, 10, 87-99. Press, New Haven, CT, London.
- Fisher, A. A., Laing, J., & Stoeckel, J. (1985). Guidelines for Overcoming Design Problems in Family Planning Operations Research. *Studies in Family Planning*, 16(2).
- Freeman, R. E. (1984). *Strategic Management: A stakeholder approach*. Boston: Pitman.
- Friedman, M. (1970). The Social Responsibility of Business is to Increase Profits. *The New York Times Magazine*, September 13th, New York, The New York Times.
- Friedman, M. (1962). *Capitalism and Freedom*. University of Chicago Press.
- Gam, H. J, Cao, H., Farr , C., & Kang, M. (2010). Quest for the eco apparel market: a study on willingness to purchase organic clothes. *International Journal of Consumer Studies*, 34,48-56.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). *Multivariate Data Analysis with Readings (5th ed.)*. Englewood Cliffs, NJ: Prentice Hall.
- Harris, J. D., & Freeman, R. E. (2008). The impossibility of the separation thesis. *Business Ethics Quarterly*, 18(106), 541–548.
- Hart, S. (1995). A natural resource-based view of the firm. *Academy of management Review*, 20(4), 874-907.
- Hartman Group (2007), Hartman Report on Sustainability: Understanding the Consumer Perspective, Hartman Group, Bellevue, WA.
- Hartmann, P., Vanessa, A., & Forcada, F. (2005). *Green Branding effects on attitude: Functional versus emotional positioning strategies* <http://www.emeraldinsight.com/0263-40503.htm> accessed 11th July 2013.
- Harvey, F. (2006). Ontology. In B. Warf (Ed.), *Encyclopedia of Human Geography*. Thousand Oaks, CA: SAGE Publications Inc.
- Heskett J.L., Jones T.O., Loveman G.W., Sasser E.W., and Schlesinger L.A. (2008). Putting the Service-Profit Chain to Work. *Harvard Business Review* March-April, 164-174.
- Hines, J.M., Hungerford, H.R., Tomera, A.N. (1987). Analysis and synthesis of research on responsible environmental behavior: a meta-analysis. *Journal of Environmental Education*, 18, 1-8.
- Homburg, C., & Giering, A. (2001). Personal Characteristics as Moderators of the Relationship Between Customer Satisfaction and Loyalty. *Psychology & Marketing Journal*, 18 (1), 43-66.
- International Institute for Labour Studies. (2013). Making quality employment the driver of development. <http://www.ilo.org/wcmsp5/groups/public/@africa/documents/publication> accessed 20th January 2016.
- Jain, S.K & Kaur, G. (2004). Green marketing: an Indian perspective. *Management Decision Journal*. 31(2), 168–209.
- James, L. O. (2005). Linking Organizational Characteristics to Employee Attitudes and Behavior: A Look at the Downstream Effects on Market Response & Financial Performance. *Journal of Service Research*, 6 (3), 231-242.
- Jiang, P. & Rosenbloom, B. (2005). Customer intention to return online: price perception, attribute-level performance, and satisfaction unfolding over time. *European Journal of Marketing*, 39 (1/2),150-174.
- Kabare, N. (2013). Quality Drivers, Managerial focus, Customer perception and Customer satisfaction in large flour mills in Nairobi. Unpublished Ph.D Thesis, University of Nairobi.
- Kalafatis, S. P., Tsogas, M. H., & Blankson, C. (2000). Positioning strategies in business markets. *Journal of Business & Industrial Marketing*, 15(6), 416-37.
- Keller, K. L. (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity. *Journal of Marketing Research*, 29, 1-22.
- Kibera, F. N. & Waruingi, C. (2009). *Fundamentals of Marketing: An African perspective*. Kenya Literature Bureau.
- Kinnear, T. C., & Taylor, J.R. (1973). The Effect of Ecological Concern on Brand Perceptions. *Journal of Marketing Research*, 10 (5), 191-197.
- Kinoti, M. W. (2012). Green Marketing Practices, Corporate Image, Organization Characteristics And Performance of ISO 9000 & 14000 Certified Organizations in Kenya. Unpublished Ph.D Thesis University of Nairobi.
- Klein, A.S., Masi, R.J., & Weidner, C.K. (1995). Organization Culture, Distribution and Amount of Control, and Perceptions of Quality: An Empirical Study of Linkages, *Group & Organization Management*, 20 (2), 122-148.
- Kotler, P., & Lee, N. (2005). *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*. Wiley.
- Malhotra, N. K., & Dash, ., (2011). *Marketing Research an Applied Orientation*. New Delhi: Pearson.
- Matule, V. J., Bravo, R. & Pina, J. M. (2011). The influence of Corporate social responsibility and price fairness on customer behavior: Evidence from the financial sector, *Corporate Social Responsibility and*

- Environment Management, 18, 317-331.
- Menon, A., Menon, A., Chowdhury, J., & Jankovich, J. (1999). Evolving Paradigm for Environmental Sensitivity in Marketing Programs: A Synthesis of Theory and Practice. *Journal of Marketing Theory and Practice*, 7(2), 1-15.
- Michael A., Gillespie, R., Denison, S., Ryan, S., William, S. (2007). Linking Organization culture to customer satisfaction. *European journal of work and organizational psychology*. DOI: 10.1080/13594320701560820
- Miles, M. P., & Munilla, L. S. (1993). Eco-orientation: An emerging business philosophy. *Journal of Marketing Theory and Practice*, 1 (2), 43-51.
- Min, H & Galle W. P. (2001), "Green purchasing practices of US firms". *International Journal of Operations & Production Management* vol 21 No 9 pp 1222-1238.
- Mittal, V., & Kamakura, W. (2001). Satisfaction, Repurchase Intent and Repurchase Behavior: Moderating Effect of Customer Characteristics. *Journal of Marketing Research*, 38, 131-42.
- Mourad, M., & Ahmed, Y.S.(2012). *Perception of Green brand in an emerging innovative market: factors affecting the green brand preference in the telecom industry in Egypt*. www.emeraldinsight.com/1460-1060.htm accessed 15th Sep 2014.
- Muchiri, M. (2012). Market entry strategies used by multinational corporations to enter into the Kenyan market. *International journal of Business and Social Research*, 3(3) 32-35.
- Mugenda, O., & Mugenda, A. (2003). *Research Methods*, 2nd edition, Kijabe Printer Nairobi, Kenya.
- Oburu, C., & Kinoti, M. (2012). Factors contributing towards adoption of Green Marketing in mobile service providers in Kenya. *DBA Africa Management Review*, 2(1), 56-69.
- Oliver, R.L. (1997). *Satisfaction: A behavioral perspective on the consumer*. New York: McGraw-H
- Oliver, R.L. (2006). *Customer satisfaction research*. The handbook of marketing research. USA: Sage
- Olsen, S.O. (2002). Comparative evaluation and the relationship between quality, satisfaction, and repurchase loyalty. *Journal of the Academy of Marketing Science*, 30(3), 240-249.
- O'Sullivan, et al. (2009), Marketing performance measures and firm performance: Evidence from the European high-technology sector. *European Journal of Marketing*, 43(5/6), 843-862.
- Ottman, A. J. (2011). *Green Marketing trends focusing upon environmental protection*. http://www.greenmarketing.com/blogs/category/green_trends accessed 20th August 2013.
- Oyewole, P. (2001). Social Costs of Environmental Justice Associated with the Practice of Green Marketing. *Journal of Business Ethics*, 29(3), 239-252.
- Padgett, D. & Allen, D. (1997). Communicating experiences: a narrative approach to creating service brand image. *Journal of Advertising*, 26 (4), 49-62.
- Parker, B., Segev, S. & Pinto, J. (2009). What it Means to Go Green: Consumer Perception of Green Brands and Dimensions of Greenness, Florida International University, North Miami, FL.
- Paulssen, M. & Birk, M.M. (2007). Satisfaction and repurchase behavior in a business to-business setting: investigating the moderating effect of manufacturer company and demographic characteristics. *Industrial Marketing Management*, Vol. 36 No. 7, pp. 983-97.
- Peattie, K. (1995). *Environmental Marketing Management: Meeting the Green Challenge*. London: Pitman Publishing.
- Peattie, K. (2001). Towards sustainability: The third Age for Green Marketing. *The Marketing Review Journal*, 2, 129-146.
- Polonsky, M., & Ottman, J. (1998a). Exploratory examination of whether marketers include stakeholders in the green new product development process. *Journal of Cleaner Production*, 6(3), 269-75
- Polonsky, M. J. (1995). A Stakeholder Theory Approach to Designing Environmental Marketing Strategy. *The Journal of Business and Industrial Marketing*, 10(3), 29-47.
- Polonsky, M. J., & Mintu-Wimsatt, A. T. (2001). *Environmental Marketing: Strategies, Practice, Theory, and Research*, New York : Haworth Press.
- Porter, M., & Van der, L. (1995). *Competitive Strategy. Techniques for Analyzing Industries and Competitors*. Free Press: New York.
- Prakash A. 2000a. *Greening the Firm: the Politics of Corporate Environmentalism*. Cambridge University Press: Cambridge.
- Prakash A. 2002. Green marketing, public policy and managerial strategies. *Business Strategy and the Environment*, 11, 285-297.
- Pujari, D., & Wright, G. (1996). Developing environmentally conscious strategies: A qualitative Study of selected companies in Germany and Britain. *Journal of marketing intelligence and Planning*, 14(1), 19-28.
- Rao, S.S., Truong, D., Senecal, S. and Le, T.T. (2007). How buyers' expected benefits, perceived risks, and e-business readiness influence their e-marketplace usage. *Industrial Marketing Management*, 36(8),

1035-45.

- Rios, F., Martinez, T., Moreno, F. & Soriano, P. (2006). Improving attitudes toward brands with environmental associations: an experimental approach. *The Journal of Consumer Marketing*, 23 (1), 26-34.
- Ronald, G. (2010). The American Customer Satisfaction Index (ACSI), The European Performance Satisfaction Index, The NCSB, www.van-haaften.nl, accessed 14th July 2014.
- Sandelowski, M. (2000). Focus on research methods: Whatever happened to qualitative description? *Research in Nursing and Health*, 23, 334-340.
- Schiffman, G. L., & Kanuk, L. (2009). *Consumer Behavior (9th Ed)*. Pearson Prentice Hall.
- Song, T. H. (2011). *The Role of Firms in China's Green Marketing*, University of Ballarat, Australia.
- Stone, G., Barnes, J.H., Montgomery, C. (1995). Ecoscale: a scale for the measurement of environmentally responsible consumers. *Psychology & Marketing journal*, 12(7), 595-612.
- UN Global Compact (2010). Findings of largest CEO research study on corporate sustainability. <http://www.unglobalcompact.org/news/42-06-222010> accessed 25th August 2014.
- Walley, N. & Whitehead, B. (1994). It's not easy being green. *Harvard Business Review*, 72(3) 2-7.
- Wiener, J. L. & Doescher, T.A., (1991). A Framework for Promoting Cooperation. *Journal of Marketing* 55 (April), 38-47.
- WPP (2010), "Survey identifies varied green beliefs and behaviors among global consumers", available at: www.wpp.com/wpp/press/press/default.htm?guide accessed 16th July 2014.
- Zheka V. (2005). Corporate governance, ownership structure and corporate efficiency: The case of Ukraine. *Managerial and Decision Economics* 26.
- Zhu, Q., Sarkis, J., & Geng, Y. (2005). Green supply chain management in china. *Journal of Sustainable development*, 4(3), 66-99.
- Zikmund, W.G (2000). *Business Research Methods*. (6th edition). Dryden Press: California.
- Zou, S., & Stan, S. (1998). The determinants of export performance: A review of the empirical literature between 1987 and 1997. *International Marketing Re-view* 15 (5), 333-356.