

GREEN MARKETING STRATEGY: A STAKEHOLDER THEORY APPROACH

**Michael Jay Polonsky
The University Of Newcastle**

ABSTRACT

In the late 1980s and early 1990s there has been a renewed interest in green marketing from both practitioners and academics. One of the key problems with examining green marketing is that it often means different things to different people. This confusion results in some organisations having difficulty developing green marketing strategies. One problem firms face is that they don't understand the importance of the various green marketing stakeholders. The literature has pointed to a number of important green stakeholders including, consumers, shareholders, special interest groups, governmental bodies, employees, suppliers, the media and the scientific community. Thus a firm cannot successfully develop appropriate green marketing strategies unless it understands how it inter-relates with all stakeholder groups.

While there is no universally accepted definition of stakeholders one definition could be all groups who are affected by organisational outcomes or affect organisational outcomes. The paper suggests how by using the stakeholder management process as developed in the management literature, marketers can develop more effective green marketing strategies. While numerous examples are provided throughout the paper one classic example of an organisation which has utilised this process to develop its green marketing strategy is McDonald's. They have been "incorporating" stakeholders into their green marketing process since the early 1970s.

On the whole marketers have not embraced stakeholder theory, though much of marketing theory relies on a multitude of stakeholders. Database searches uncover few articles tying the two topics together. One objective of this paper is to stimulate more interest in stakeholder theory by marketing academics.

Within the stakeholder literature a process is suggested to integrate stakeholders into organisational strategy development. This stakeholder management process is comprised of four steps that: 1) Identify the relevant stakeholder groups; 2) Determine the stake of each group; 3) Determine how effectively the "expectations" of each group are met; and 4) Develop corporate objectives and priorities that consider stakeholder interests. The paper provides detailed explanation of each stage of the process, as well as provides a graphic depiction of the stakeholder management process.

While stakeholder theory is useful for the development of green marketing strategy it provides a theoretical tool that can be integrated into a number of other marketing theories. While these other linkages are not discussed in the paper it is easy demonstrate linkages with services marketing, relationship marketing and buying centre literature, to name a few. There is a general need for more research into marketing's utilisation of stakeholder theory.

If the stakeholder process is to be effectively utilised one area that urgently needs examination is the process by which stakeholders are actually integrated into strategy development. This integration is essential if organisational strategy is to be effectively established such that it takes into consideration stakeholders' interests. This area of stakeholder theory is not adequately examined in any literature, including the stakeholder literature.