

The Effectiveness of Green Marketing for Starbucks

Based on Perspectives of Consumers and Shareholders

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Abstract

Green marketing strategies is a relatively new marketing approach wherein the emphasis is made on using sustainable practices and delivering a final product that meets environmental standards. It has also become synonymous with Corporate Social Responsibility as more companies are engaged in uplifting the lives of the community they operate in. This dissertation evaluates green marketing strategies applied by Starbucks and examines its efficiency in improving the company's brand equity and performance. It analyses the company's business viability and longevity and determines the impact made with the application of green marketing tactics. This action research study analyses consumer and stakeholder perspectives to identify how the company has benefitted with the use of green marketing practices.

I. Introduction

1.1. Background to the Research

Green marketing also known as environmental or ecological marketing is gaining a stronghold in today's business environment. The concept is based on reducing an organization's detrimental impact to the environment by adopting sustainable practices in their marketing activities. It is a radical approach as it aims to use limited resources in order to achieve sales targets and consumer satisfaction. Many organizations have adopted environment friendly practices as part of their corporate social responsibility. The increasing consumer consciousness on sustainable practices has also fuelled the change of organizations to adopt green marketing strategies. In this way, the importance of going green has become part of doing business in the new millennium. Organizations today cannot operate without establishing a commitment to the environment as it is a means to increase brand equity and customer patronage.

One of the companies that has pioneered Green Marketing strategies is Starbucks. They have become well known for their commitment to the environment as they have leveraged on sustainable practices as a means to gain market share. The unique case of Starbucks is the seamless integration of green marketing strategies in their operational framework. The company's image is built on their commitment to proper waste disposal and material reductions use. They utilize this campaign framework in teaching their customers on the proper ways on how to reuse, reduce and recycle. Significantly, this has had an impact to the company's growth and consumer perception. The author will analyse the effectiveness of Starbucks' green marketing strategies and whether this resulted in a marked improvement in the company's

finances. It will assess the efficiency of these strategies in contributing to the company's business viability and longevity.

1.2.Relevance of the study

The subject matter of this research is relevant to business management studies as it evaluates a new marketing strategy. It is focused on the application of green marketing strategies in a corporate setting. It evaluates its effectiveness including the use of corporate social responsibility as a means to increase sales and market share. More importantly, this topic examines consumer and stakeholder perception to green marketing that would provide key insight on its ability to attract consumers and increase brand equity. Green marketing remains to be an innovative approach and scarcely studied subject area. The analysis of green marketing strategies and the evaluation of company performance are relevant to academic management study. This is because it integrates the study of the company's financial statements and marketing methods applied. It also utilizes a multidisciplinary approach as this research combines the use of mathematics and statistics. More importantly, it advances the knowledge of marketing theories and corporate social responsibility policies. Its relevance contributes to field of business management, marketing and financial analysis.

1.3.Research purpose and objectives

The researcher's objective is to be able to examine and evaluate the implementation of green marketing strategies in Starbucks. This topic will contribute to academic literature on marketing strategies. Furthermore, it will add a practical implementation of marketing theories and strategies in a business environment. More importantly, the research will evaluate the

success of these strategies in contributing to Starbucks' business longevity and viability. The objectives of this dissertation are the following:

- 1) To critically review the body of literature related to corporate social responsibility and green marketing
- 2) To critically analyse the implementation and effectiveness of green marketing strategies implemented by Starbucks
- 3) To examine published financial information and compare results to Starbucks' green marketing strategies implemented during the same period
- 5) To evaluate Starbucks' existing green marketing strategies in terms of effectiveness and make possible recommendations for improvements

The researcher expects to have a comprehensive analysis of Starbucks' green marketing strategies through a study of profits and losses incurred during the periods prior to and after the implementation of green marketing strategies. This adds a practical application of the study being able to apply marketing strategy theories in a real business environment. The result of which will allow the research to determine its impact to Starbucks' longevity. The use of survey information will enable the researcher to integrate marketing theories and applied strategies in the study of green marketing. This research will show how green marketing impacts Starbucks' corporate social responsibility policies and marketing strategies. More importantly, this study will identify its impact to the achievement of business goals especially in increasing corporate performance and brand equity. The end result is a deeper knowledge on marketing management

wherein the researcher will be able to make plausible recommendations. The research expects to identify links between green marketing strategies and increased profitability and brand equity.

1.4. Structure of the rest of the report

The structure of the paper is as follows: Chapter 2 reviews the literature on corporate social responsibility and green marketing. It will include a company profile of Starbucks and their green marketing strategies. Chapter 3 outlines the methodology and data used in this study; Chapter 4 discusses the results of the empirical research and relating it to marketing theories outlined and Chapter 5 includes the conclusion, recommendation and limitations section of the study.

2. Literature Review

2.1. Corporate Social Responsibility

Capitalism has allowed businesses today to become powerful institutions due to their billions dollar earnings. Multinational corporations have more revenues compared to developing countries enabling the private sector to control most of the world's wealth. As such, businesses have garnered political and social power with an unmatched ability to influence world decisions. Today, businesses benchmark their success based on their maximization of profits and resources. This is seen as the most objective criterion to determine organizational effectiveness.

As such, corporations are ranked based on their financial reports noting efficiency measurements are based on cash flow and profitability. This also includes sales figures and market penetration. Business viability and longevity are therefore based on their financial standing however, this is no longer considered as the lone benchmark as business environments have become globalized. Society now measures business organizational effectiveness based on their social contributions. Businesses have to rationalize their existence with a growing critical consumer populace that scrutinizes business processes. The public has become conscious about the values corporations espouse as this serves as their framework of operation. Society now operates with an increased awareness with regards to corporate social responsibility. It is seen as an important role of companies as they add value to society rather than profit maximization. Corporations are also judged based on their ethical practices and governance (Crane et al 2008, p. 113).

It is important to note how the meaning of Corporate Social Responsibility continues to change but it is widely agreed that it is no longer a trend. The public is aware about the amount of wealth and the power of corporations and their ability to influence social affairs. This has led to no actual specific definition for the term. However, in general Corporate Social Responsibility relies on the acts and decisions of a company since they legally bound to regulatory obligations. Primarily, they must be in compliance to rules that serve as strategic company actions. In this way, Corporate Social Responsibility has evolved into a business strategy wherein organizational activities are based. Many note how CSR policies have created comparative advantages for organizations. This is achieved by implemented a positivism approach in their action plans creating corporate relevance and contributing to their brand equity. Investors and the public today use a company's CSR policy to determine if they are alike in value making it an important section in annual financial reports. Corporate Social Responsibility is a way in which corporate values are integrated with their core strengths. By integrating these approaches, an organization is able to create a leverage in the market. Organizations are not only evaluated based on profit maximization but rather their incorporation of a Corporate Social Responsibility plan (Crane 2008, p. 56).

Corporate Social Responsibility or CSR, is defined as an organization's responsibility to the immediate community. It is a combined effort that aligns an organization's mission, vision and values with their strategic management. The policies are based on the values of its owners, shareholders and employees. It is formulated based on the universality of common values. These business activities apply a long-term perspective wherein they engage in activities that sustain both profitability and social responsibility.

A CSR action plan applies corporate accountability and ethics. This supports transparency in terms of compliance to rules and regulations. It also serves as a symbol of their commitment to society including their customers, shareholders and employees. Corporate Social Responsibility is not acts of charity or fund raising endeavours but is defined as the organization's way of life. It supports the corporate culture evident in its organizational activities. It also influences their business objectives. As such, it affects organizational performance and efficiency. CSR action plans are seen to be a sign of an organization's performance efficiency (Leipziger 2003, p. 105).

The 21st century consumer has high expectations from organizations wherein Corporate Social Responsibility is not simply being compliant but it shows their community involvement. It is a form of social contract between organizations and their customers. This shows the encyclical relationship of Corporate Social Responsibility as activities create a chain reaction positively changing business practice or industry norms and economic systems. CSR action plans impact both in a micro and macro scale as it is meant to address current social needs.

In this way, Corporate Social Responsibility is involved with all of an organization's functions. Businesses are seen as citizens that can contribute for the greater good. CSR as a theory is based on many other business theories such as social and environmental auditing, stakeholder theory, business ethics, environmental sustainability, strategic philanthropy, cause-related marketing and corporate governance.

Globalization had led business enterprises to many concerns for the business world. Companies make themselves responsible for human rights violation caused by their business partners from developing countries. Different groups are seeking corporate governance to be

more transparent and at the same time accountable to their actions. For the past decade, the latest trend in companies is directed on Corporate Social Responsibility. (CSR)

Evaluating a company's CSR involves different levels. One starts with the individual level, then the organizational level and followed by the institutional level. Wood (1991) on the other reiterates that there is a need to also analyze it in terms of the global level.

Individual level covers discretion of the managers. CSR provides that the actions and decisions of the managers in a company should be completely governed by the rules and regulations of the corporation. (Crane and Matten, 2003). It is a call for the managers to be discerning in their decisions. They are challenged to be able to be make decisions based on their moral responsibility to their workers.

In the organizational level, it is important to be able to meet all the expectations, the participation and correspondence of the stakeholders within the myriad of social considerations. CSR in the organizational level challenges its people to uphold its mission and vision hand in hand with morals and social awareness. (Morisng & Shultz, 2006). The purpose of management therefore it to be able to determine how it will be able to balance profit without sacrificing the proper way of giving service and goods to their consumers as well as providing leadership to their employees.

As an institution, a company needs to be accountable to their locality. Companies are called not to take for granted the community and the people they are serving. They are tasked not to abuse the authority that was given to them. One concrete example is the conditions set by their license to operate (Post, Preston, & Sachs, 2002)

Nowadays, sustainable development is the primary concern of many companies. Different organizations are now more conscious of the inter relatedness of environmental issues to economic progress. Sustainable development is thus defined as being able to address the present needs without compromising the next generation's resources. The global perspective of CSR encourages companies to be able to make innovations regarding their company and the business they provide. Companies are challenged to maximize their core competencies such as their management skills in enlarging their markets by utilizing environmental innovations. (Cohen, Smith, & Mitchell, 2008)

2.2.Green Marketing

Marketing plays an important role for the consumers to be aware of one's business and products. For most companies, campaign strategies are vital to the success of the business and as such gets a substantial allocation from the company's budget. There are different kinds of marketing, some of them might be more aggressive than the others. Its main goal is to be able to create brand consciousness, penetrate a wide range of market.

Green marketing has been around for many years now. Its definition is segmented into three main parts: Retailing, Social Marketing and environmental. All of these aspects need to be present to ensure that one is employing green marketing. Defining Green marketing in the retail level simply means that a certain company develops and markets products that are guaranteed to be environmentally friendly. This includes the product's packaging as well as its disposal. Social marketing defines this one the other hand in terms of the developing and marketing of products that will have no ill effects in the environment. Much better if the said product is geared on improving the current state of the environment. The environmental take on

this focuses on the efforts of different groups to be able to manufacture, market and package items in a way that is responsive to the needs of the environment. Thus, Green marketing involves communicating to the consumers the initiatives that the company has taken to ensure that the environment is improved or not harmed in any way and at the same time with the objective of the reduction of expenses or the increase in sales.

2.3. Consumers' Current Behavior and Attitudes towards Environmental Issues

Consumers are now more environmentally aware and are supporting the campaign for sustainability. In a study conducted in 2009, it was observed that a staggering ninety five percent (95%) of the American population are involved in different environmental activities that they can work on even in their own

Figure 1. Top Consumer Environmental Efforts

Behavior	Percent
Turn off electronics when not in use	90
Conserve water	85
Recycle all or most plastic bottles, jars, etc.	65
Recycle all or most paper (e.g., newspapers)	61
Take own bag to the grocery store	48
Boycott a brand or company that has practices I don't like	46
Walk or ride bike instead of driving a vehicle	31
Compost kitchen scraps and garden waste	27

Carpool	23
Take public transportation (e.g., bus, train, etc.)	17

Source: © Natural Marketing Institute (NMI), 2009 LOHAS Consumer Trends Database®

Based on the data it can be seen how consumers respond to the current plight of the environment. It is also noteworthy that consumers find it important that the company they support also share the same philosophy as far as trying to save the environment. Consumers support a certain item or brand if they share the same values with the seller. The greater the affinity of the company to the belief and stand of the consumer, the more positive effect can be reflected to the consumer's preference.

2.4.Principles of the Green Marketing

There are main principles in marketing that companies adapt to ensure that their primary objectives are met. Green Marketing, just like any of the existing practices available have their own guidelines that needs to be adhered to. Ottoman et al (2006) states that there are three C's essential namely Consumer Value position, Calibration of consumer knowledge and Credibility of the Product Claims.

Consumer Value Positioning. In order to establish a specific product as an authentic green product, it should be able to suffice five requirements. This includes the efficiency of the product as well as its being cost effective, it being safe and healthy to the user, its ability to meet the needs of the consumer, the image and its ability to make life easier. It is important that the development and choice of green products needs to be aligned to its value to the consumers.

Calibration of Consumer knowledge. One of the marketing strategies that companies employ in their marketing is the use of compelling slogans as well as taglines that tries to

connect the said green products to the values of the consumers. It was able to tailor its programs to what they feel would be essential to the consumer and thus allowing them to be aware of the green products. Nowadays, marketing makes sure that the connection they are driving at is direct to the point and not open for different interpretations. Some examples of these slogans were compiled by Ottoman and given below:

Value	Message and Business product
Efficiency and Cost Effectiveness	“Did you know that between 80 and 85 percent of the energy used to wash clothes comes from heating the water? Tide Coldwater—The Coolest Way to Clean.”
Safe and Healthy	20 years of refusing to farm with toxic pesticides. Stubborn, perhaps. Healthy, most definitely.” —Earthbound Farm Organic
Meet the Needs of the Consumer	“Environmentally friendly stain removal. It’s as simple as H ₂ O.” —Mohawk EverSet Fibers Carpet
Image	“Make up your mind, not just your face.” —The Body Shop
Ability to make life easier	“Long life for hard-to-reach places.” —General Electric’s CFL Flood Lights

It is important that the messages themselves already educate the buyers of the innate value of green that the companies have.

Credibility of Product Claims. To make sure that the campaign for the green products is

successful, it should be able to provide credibility to the consumer. It should be able to ensure that the consumer received what he was promised of. It is important that the marketing of the product will not mislead the consumers.

2.5. Reasons for Adopting Green Marketing

There are many reasons why companies adopt Green Marketing. Using the neoclassical economist point of view, adopting such program would help the interests of the shareholders. Another point of view, the institutional theory on the other hand focuses on ensuring that they meet their own policies (Hoffman, 1997). According to this theory, companies are not always after increasing their profits. It is also important to them to gain the confidence of external institutions especially as far as legitimacy is concerned. Companies choose green their products because they want to be responsible to their community. They may not be guaranteed an increase in profit, but in the long run, they are very much aware that social responsible policies would eventually result to economic payoffs.

The stakeholder theory states that companies need to make sure that their policies are customized to the needs of various stakeholders. As such, companies choose to green their processes as well as their products and policies if the stakeholders demand for it. Adding an environmental component to the company would not be implemented properly if it is purely driven by financial gain. It is important that in upholding green marketing, an entrepreneurial approach which depends on other criteria, not economic in nature is to be undertaken.

To better understand why companies have to choose whether or not they will adopt green policies, it is also important to look into the overall gain that one gets from these policies. It is a business decision not to engage in activities if their results would yield nonexcludable benefits.

In the green marketing context, it should be noted that most of the benefits generated are actually nonexcludable ones. In addition, when one adopts the said process, the company expects higher costs. Green marketing is able to provide justification in this aspect. The green products should then be priced at their premium. In doing so, they will be able to convert the environmental benefits to monetary benefits. In a way, this means that green marketing allows the company to be able to encash the benefit through the reputation they build making consumers support them more. It should be noted that the trend nowadays is for consumers to demand for green products. Studies also had revealed that consumers are willing to pay more premiums for green products. However, it should be noted that in spite of this trend, shareholders are still hesitant to make investments on new technology, innovative materials as well as to the high startup in producing green products.

2.6. Strategies for Green Marketing

Green marketing involves a lot of creativity and innovation and not to mention resourcefulness on the part of the company who wishes to pursue this. In order to be efficient, the first step is for the said organization to identify the specific needs of their target. It should be their goal to provide customer satisfaction and at the same time ensuring him of his well-being as well as his environment. This marketing strategy focuses therefore in ensuring that society is able to accept the new idea/ concept being introduced. (Kotler, 1994). Traditional marketing usually focus only on the individual's needs. This is because this is predicated by only two premise, namely that consumer buy products to satisfy their needs and their consumption has no significant effect to their environment. The consumers before are very much aware that in the event that there is an effect to the externalities, this is where government regulations come in. In Green marketing, it persuades the clients to modify their behaviors especially when it already has

a great impact to the environment.

2.6.1. Use of Incentive as Motivation

While some consumers are more than willing to make sacrifices by paying a higher green product over the usual product that he is accustomed to buy because it is for a good cause, other still are hesitant. This usually happens if they believe that his personal purchase would not have a big impact to the environment. One way to resolve this is by designing a campaign that would promote the product in an institutional context. This strategy suggests that the marketers need to convince the consumer that only with collective efforts in terms of modifying one's lifestyle. There should be a campaign of involving other sectors of the society so as the people are now more convince that a change of lifestyle is in order. It will give the consumer more confidence that their actions would mean a difference in the bigger picture.

2.6.2. Disclosure of Information

Disseminating information is an essential aspect of green marketing. It needs to be readily available first and foremost to the managers as well as the policymakers. The sharing of information can be made in the different levels. It should also be noted that when one is engage in green marketing, the information can be dispensed of voluntarily or may be mandated by law. This mandate of the law is essential to guarantee that there is standardized data made available to both the consumers and stakeholders alike. This practice is upheld to give them the opportunity to be able to compare the new products. Information is important for the consumers so that they can make a sound decision. Having less or no information might hamper their choice and not give consideration to the "green" aspect of the product. It is also essential that the information is comprehensive. It should be presented in a manner that can easily be understood by the reader. While some points might not be raised by the information made available to the consumers nor

their implications not as clear as it was hoped for, other venues can be used to further explain or disclose these data. (Menell, 1995) External stakeholders and the media can assist in giving out the needed information together with a more concise interpretation of it. This move can encourage the key players to support the efforts of the company in adopting the green products and practices that they are promoting.

A challenge at this time is for convincing that the information given is credible. Based on some studies, 47% consumer maintains that some of the information they are receiving with regard to environmental concerns are just part of the company's gimmicks and is far from reality (Stisser, 1994). Others also experienced that the data presented to them are unsubstantiated and exaggerated. (Carlson et al., 1993). This trend if it continues would pose a big problem for companies who are legitimately greening their products and offering it as part of their competitive advantage.

Part of the collective effort campaign, this issue is already being answered by some agencies and even the government. Greenpeace, analyzes the data being presented by different companies and is able to identify to the public which among them are giving false testimonies. The government made regulations as to which information are allowed as well as being accepted by many firms. (Brown and Wahlers, 1998). Government sponsored and third party ecolabeling is already being practiced by many countries nowadays. This is a useful tool for green marketing as the consumer will be more secured of the information given to them just by seeing this label.

There are four major strategic activities that a company can engage to implement Green Marketing (Polonsky and Roesnberger, 2001). This includes targeting, pricing, design, positioning and promotion. The many consumers who claim to be green but most of the time it is not evident in their willingness to actually buy these products are the one who is being targeted

by the strategies proposed. Products that poses environmental harm is already incorporated in the process production. As such different environmental attributes has to be incorporated to the new design and product development. When a product is being a green characted, the companies should guarantee that all its activities are consistent with the said philosophy so as not to confuse and frustrate the consumers. It is important that Green promotion be supported by the general public. The following table summarizes the different strategies with respect to the type of Green Company that one wishes to engage into.

	Tactical Greening	Quasi-strategic greening	Strategic Greening
Targeting	Ads mentioning green features are run in green focused media	A firm develops a green brand in addition to its other brands	A firm launches a new strategic business unit aimed at the green market
Green Design	Switching from one raw material supplier with a more eco-friendly processes	Life-cycle analysis is incorporated into the design process to minimize eco-harm.	Fuji Xerox develops its Green Wrap paper to be more eco friendly from the ground up.
Green Positioning	A mining company	BP Amoco redesigns	The Body Shop

	runs a PR campaign to highlight its green aspects and practices	its logo to a sun-based emblem to reflect its view of a hydro/solar-based future for the energy business.	pursues environmental and social change improvements and encourages its customers to do so as well.
Green Pricing	Cost savings due to existing energy-efficiency features are highlighted for a product.	A water company shifts its pricing policy from flat monthly rate to a per-unit-of-water used basis.	A company rents its products rather than selling them, consumers pay only for the use of the product.
Green promotion	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.	A company sets a policy that realistic policy eco-benefits should always be mentioned in promotional activities.	As part of its philosophies the Body Shop copromotes one or more social/eco campaigns each year with in-shop and promotional materials

Adapted from “Reevaluating Green Marketing: A Strategic Approach” of Polonsky, M.J. & Rosenberg, P.J., 2001, *Business Horizons*, 44(5), 21-20.

2.7. Starbucks Company Profile

Starbucks has remained the undisputed leader in the coffeehouse industry. The company first opened in Seattle and has since expanded to more than seventeen thousand coffee houses in the world. There are more than eleven thousand retail outlets in the United States. Starbucks now operates in global scale being present in more than forty countries even expanding in Europe and other emerging markets. Starbucks was originally founded in Seattle, Washington in 1971 by Zev Siegl, Gordon Bowker and Jerry Baldwin. They specialized in selling high quality coffee made from Arabica beans. They have since initiated product expansion selling a diverse array of coffee beans, salads and sandwiches. The company has also capitalized on their brand name selling their own line of merchandises such as coffee mugs and tumblers. Moreover, Starbucks’ has also expanded to sell their own line music, books and films with the establishment of their entertainment division and Hear Music. Other product expansions also included their entrance into the beverage industry with a line of pre-made coffee drinks and ice cream being sold in supermarkets. Their product expansion into other fields not necessarily related to coffee was not part of the owner’s original idea as they have ventured into other activities that are not necessarily their core competency (Larson 2008, p. 105).

The nineties was the beginning of Starbucks’ retail growth as they opened more branches domestically and internationally such as in Canada. Their popularity was soaring as a new coffee retail outlet was being opened on a daily basis that continued until the end of the decade. Howard Schultz purchased the company in 1987 and listed it publicly by 1992. The

injection of fresh capital enabled the company to conduct retail and product expansion throughout the nineties.

Starbucks adopted an acquisitions strategy by purchasing other coffee retail shops that effectively took away the competition in the market. For example, in their international expansion to the United Kingdom they acquired Seattle Coffee company rebranding more than sixty outlets to Starbucks retail shops. The company also acquired Diedrich Coffee in 2006. Furthermore, they formed a strong partnership with Barnes & Noble wherein they were able to open coffee retail shops in every store in the United States. The company's core strength was their expertise in specialty coffee. They also applied a strategic management plan in their expansion focusing on building customer relationships. The company's business strategy was to build a "Starbucks experience" wherein they were able to add value in the supply chain delivering a value added coffee product and service. This helped propel the company's growth as they were able to charge a premium for their products enabling them to post large revenues (Larson 2008, p. 124).

Starbucks' priority was to secure its supply chain system by making sure its purchase and inventory system maintained the freshness of its coffee beans. The company also introduced quality management in its outlet operations, customer service and sales. This supported the increase of company performance, efficiency and brand equity. Starbucks created a strong organizational structure especially in human resource and corporate management that ensured coordination in all activities. This resulted in a final product that was received well by the public. It also helped in their product expansion and acquisition activities. Starbucks was able to establish an excellent procurement management system that enabled them to high quality product with a high-perceived value.

Strategic management was essential in their expansion as the company chose retail outlets based on traffic flow, density of people and demographic characteristics of an area. The company also invested on their employees by providing training and career advancements. Starbucks was able to master its operational management system enabling them to sustain growth for a long period of time. It is important to note that the company has had retail coffee shop operation experience for more than twenty years, which helped them as they increased the number of their store openings. However, the company's growth was dampened in 2007 as they experienced more than fifty percent decline in operating income. Their leadership in the industry was challenged as they faced increasing pressure from competition (Schultz and Gordon 2012, p. 76).

Starbucks had an average of twenty percent annual growth but since 2007, they only grew by ten percent. Many note how the company's brand equity in the market was declining wherein their supply chain system began to show gaps. One of the key gaps that the company had was their unfocused marketing strategies. This derailed the company's ability to process market information. It also allowed other competitors to take their market share. Primarily, the company was engaged in different marketing activities that were supposed to build their brand equity. However, these activities through the years became disconnected to Starbucks' expertise namely specialized coffee, which decreased their brand image of luxury and exclusivity.

Furthermore, with rapid expansion of an average three outlets in a day the company retail location design and operation varied. As such, the look and feel of each coffee retail outlet was different from each other that diminished the highly-valued "Starbucks experience". Their

ability to manage all of the outlet stores diminished in capacity creating negative feedback surveys from customers. What was once the company's competitive advantage became their weakness enabling others to enter the market such as McDonald's McCafe and Dunkin Donuts.

The company's other failure was their lack of strategic marketing which diminished their value in the public's perception. The company had grown rapidly engaging in different marketing strategies amongst its retail shops. Some of these activities did not support the improvement of its supply chain coupled with the lack of coordination, the company suffered from a fractured marketing tactic. Furthermore, as the company heavily relied on word of mouth as marketing promotion tool this apparently was too much of a small town approach compared to the global multinational company it had become. Simply, the company had expanded quickly but lacked the marketing strategies to support its long-term growth.

As a result, Starbucks was not able to hedge themselves against McDonalds for example as they allocated a small amount of their revenues in marketing. Their rivals on the other hand had invested millions in marketing schemes to increase market share. This negatively impacted their brand recognition wherein the company became inconsistent in delivering their marketing message. Primarily, Starbucks began with the luxury market and their brand image was exclusivity. However, they soon lost their luster as they rivaled against the middle class market. More importantly, the company's marketing activities were all short term that did not exhibit any continuance. This was important in brand development and marketing wherein these served as the foundation of their leadership in the industry. The company made the mistake of overexpansion both in their product and retail outlets. These were only short term activities that did not help in their brand's development (Sculitz and Gordon 2012, p. 97)

By 2008, the company aggressively tackled the problem of their diminishing revenue and brand equity. The company chose to close around six hundred coffee shops in America. They also improved their outlet retail operation by introducing an espresso system that was more technology advanced compared to their current coffee makers. Outlets now grounded beans in front of the customer, which improved the taste and aroma of their products. The company also continued to increase their product expansion to energy drinks, instant coffee, salads and low fat pastries. Primarily, this was to attract a growing health conscious market but again the company's activities contrasted themselves. For example, by selling instant coffee they are also competing against their retail coffee outlets. Customers would no longer be enticed to purchase Starbucks coffee in retail stores if they can buy a cheaper alternative. Furthermore, energy drinks are also not one of their core competency since this is not specialty coffee.

2008 to 2009 was a difficult period for Starbucks as they had to lay off nearly a thousand non-retail jobs in order to continue positing profits. The continued to close non-performing outlets and even stopped overseas expansion. The company badly needed to be invigorated in terms of business strategy in order to maintain its position in the market. It was during this time that the company formally announced its corporate social responsibility policy. They launched a new website that encouraged the growth of an online community that patronized Starbucks. The site was interactive allowing customers to leave feedback. It was also a way for the company to launch its marketing activities such as their loyalty and membership program. This encouraged repeat patronage by providing discounts to customers and free Wi-Fi use (Schultz and Gordon 2012, p. 163).

More importantly, the website served as communication tool that enabled the company to discuss their commitment to the environment. Starbucks was one of the first to embrace social media as a marketing strategy. It also coincided with the development of their green marketing strategies since the use of online tools also meant a reduction in traditional advertising and marketing expense. The company already had a tradition of allocating a small amount to marketing efforts wherein this medium suited their tactics. Significantly, the company was successful in positioning themselves as an environment friendly company by strategically marketing their outlets as part of the community. The building of a community atmosphere helped the company establish green marketing strategies that sustained their growth during the recessionary periods in the United States.

2.8. Starbucks Green Marketing Strategies

The company's green marketing strategies began as early as 2004 with the use of recyclable cups, napkins and paper bags in coffee retail outlets. Starbucks' corporate social responsibility policy was already established but was not primarily used as a marketing strategy. This only increased in consumer consciousness in 2008 when the company launched its interactive website. It included a report on their environmental saving and sustainable efforts, which increased the interest amongst consumers. The company's corporate social responsibility policy centers on three main areas namely energy conservation, renewable energy, advocacy and collaboration.

One of the first areas the company focused on was the sourcing of coffee bean supplies from sustainable farmers. This was their core competency and primary product wherein it became increasingly apparent that the company needed to properly source their coffee beans from ethical farm growers. As the plight of farmers was highlighted especially because of the

prevailing poverty and unequal distribution of wealth, the coffee industry approved the Fair Trade Act in 2004. Starbucks has since purchased their coffee from suppliers who comply with the Fair Trade Act. The company's decision to purchase sustainable coffee even paying a premium in the world market cemented their commitment and reputation in the industry as a company that cares for the environment and its people. Significantly, this was a high publicity boost for the organization as they garnered praise and prestige for their ethical move. They were willing to forgo profits in favour of the planet and its people in their landmark decision to buy only from sustainable coffee farm growers. This meant that the company would be unable to reduce production costs and that the price range of their coffee products would remain the same if not higher (Schultz and Gordon 2012, p. 67).

However, the decision was also complemented with an advocacy movement as the company utilized its website and outlets to inform their customers about their decision. In this way, the company applied an aggressive advocacy and collaboration movement that agreed with consumer sentiment. This enabled the company to continue charge a premium for their products and sustain their revenues. Today the company partners with Conservation International that helps improve coffee production in rural areas and rain forests. The company is now heavily involved in the coffee production process making sure that coffee growers utilize reduce waste procedures and conservation methods in energy and water supply. In this way, coffee production helps sustain the local biodiversity in conservation methods that do minimal damage to the environment.

As the company has also expanded into tea products, they have also partnered with Ethical Tea and the Community Health and Advancement Initiative Project, which also ensures that sustainable methods are used in the production of tea. Starbucks has leveraged on their

online presence in communicating their corporate social responsibility to customers, utilizing one of the main segments in green marketing. Starbucks has used social media as a cost efficient method in advertising their products and services with minimal hazard to the environment. This supported their global presence as the Internet became a way for the company to conduct marketing strategies more efficiently. The company utilizes blogs, online ads, social media networks to connect with their customers on a global scale. Their efficiency in utilizing this medium helped them promote their green practices more clearly and effectively compared to any other brand.

Starbucks outlets also began to apply sustainable practices as a means to support their green marketing strategies. This included the installation of water and electricity saving technology in their retail stores in order to reduce their wastages. The company used to spend gallons of water in the cleaning of their utensils and large amounts of electricity to operate their machines. They have now partnered with U.S. Green Buildings Council's Leadership in Energy and Environmental Design (LEED) in an effort to apply green building practices in all of their retail outlets. Although the company has yet to retrofit all of their outlets nearly eighty percent of their stores have been LEED certified. This has allowed the company to enact energy-efficiency measures to an estimated fifty percent reducing their energy consumption and enabling them to save in the long-term. Today twenty percent of total electricity used in Starbucks outlets in the United States and Canada comes from renewable sources. The company has also invested in energy efficient lighting and HVAC systems, which will be fully operational by 2015 (Schultz and Gordon 2012, p. 146).

Starbucks has also helped reduce the usage of their paper cups by using coffee mugs for in-store consumption. They also encourage their customers to bring their own tumblers when ordering from their stores. Customers who participate in this program have a ten percent reduction of bill upfront, which helps in the company's conservation efforts. Primarily, the company's green marketing strategy has centered on promoting recycling practices and the ethical purchases of consumer goods. Studies show how this has changed customer perception in terms of fuelling consumer demand for sustainable and organically grown products. Moreover, the company has sustained their reputation in the industry by leveraging on their ethical stand showing increasing revenues as proof that sustainable practices can also lead to profitability and efficiency.

Starbucks' financial position has improved since 2009 as they have gradually posted positive earnings from nine billion USD to more than eleven billion USD by the end of 2011. It is important to note that this period coincided with the application of stronger green marketing strategies wherein the company had a higher operating expenditure but was still able to post positive profits by year end. Although there are many factors that implicate a change in sales revenue, the company's ability to manage their cash flows while initiating green marketing strategies is a testament to their ability to balance both aspects. The company spent more in investing in green building and retrofitting of their outlets but saved in their marketing expense. They did not increase their marketing strategy but rather concentrated on online media efforts (Schultz and Gordon 2012, p. 129).

Starbucks' green marketing program is an integration of creativity, innovation and resourcefulness. They have a CSR plan that complements their green strategies wherein they have measurable goals. These targets are on an annual basis wherein they have been able to

identify through customer feedback how environmental concerns is one of their primary motives for patronage. As the company has taken responsibility in the ethical purchase of coffee beans, this is a major step in ensuring their contribution to society. This move is in agreement to their consumers as they have continued to support Starbucks' decision to purchase sustainable coffee supplies. Furthermore, Starbucks has focused on changing customer behaviour and consumption highlighting the effects of unregulated farming practices and wastages in manufacturing of their own product. In this way, the company has been able to engage its audience to also question other companies scrutinizing their business practices as well. The company has been able to satisfy the needs of the customer and the environment at the same time (Etsy and Winston 2009, p. 78).

Starbucks has been able to campaign for consumer behavioural change in their CSR action plans incorporated with green marketing strategies. They have been able to motivate people to reuse, reduce and recycle wherein by purchasing Starbucks products they are in effect able to accomplish these activities as well. The company has been able to create an emotional connection with customers through their environmental causes that encourages repeat patronage. At the same time, the company is able to increase their brand image and equity.

After the green marketing strategies were initiated the company recovered from the diminishing market in 2007. They were able to revitalize their brand image with many surveys showing a high brand recognition and support by as much as sixty percent. The company's image from a luxurious and exclusive brand has evolved to become an environmental partner and conservationist. This change in perception has increased investor confidence by more than eighty percent. As a result, the company's stock equity has remained high showing positive feedback and returns from 2009 to 2011 (Ottman 2011, p. 116).

It is important to note that gaps in Starbucks' strategic marketing is still evident but they have been able to narrow this with the application of green marketing. Previously, the company had engaged in various efforts to build their brand image with different and unrelated marketing tactics. Analysts note that the company still engages in the same liabilities but in a smaller scale. Since 2009, the company has been able to demonstrate a cohesive strategic marketing tactic that focuses on their core competency namely specialty coffee. It has been heralded as a return to the basics with much less emphasis on other Starbucks hype e.g. cds, music and film. The company's rebranding efforts centered on their CSR policy wherein they engaged in tactical greening initiatives.

Starbucks applied the principles of green marketing namely targeting, green design, green positioning, green pricing and green promotion in varying degrees. However, a major change is in their acquisition of coffee beans that irreverently added value in their supply chain system. They applied green design in their retail outlets but also in their packaging material further improving on the recycle feature of their items. By changing their suppliers and product design, the company did not change their final product in terms of quality. But rather they enhanced the unique feature of their products as being helpful to the environment and coffee farm growers, which appealed to their consumers. The company maintained their prices wherein they are expected to hold their green pricing scheme as they continue to purchase coffee at a higher price (Dahlstron 2010 p. 46).

Starbucks has been able to capitalize significantly on their strategic greening initiatives by positioning and promoting their products within the health conscious market. This same segment is surveyed to also be the most environmentally conscious allowing the company to penetrate the market even more. This serves to the company's interest as they continue to

expand their product line into the tea beverage industry. Their environmentalist reputation will surely aid their entry into the market wherein they are poised to also become a leader. Significantly, the company has been able to achieve a balance between CSR action plans, green marketing and profitability enabling the organization to change their brand image. They are surveyed to be more globally recognized but more importantly, respected as a company committed to the care of the environment and poor farmers. Their green marketing strategy has enabled the company to evolve along with their consumer interests making them one of the iconic brands in today's consumer market.

III. Methodology

3.1. General Research Problem and Style Chosen

The use of surveys and interviews supports the achievement of research goals. Furthermore, it aids in the comparative analysis of green marketing strategies enabling the research to conclude on its efficiency based consumer and stakeholder perspective. These tools aid in the construction of an excellent research design allowing the researcher to validate results. This design is commonly used as a study procedure and will add to the existing knowledge of marketing strategies. More importantly, it will focus on green marketing strategies and corporate social responsibility. This study requires a systematic information collection method in order to analyze the important marketing theories in the study, which will aid the methodology and data analysis portion. The comparative analysis between published financial highlights of Starbucks before and after green marketing strategies were used is important in satisfying the aims this research. The survey and interview design provides an affordable and efficient data collection method regarding the strategies of Starbucks. It provides insight on its impact on the organization's corporate social responsibility. This process will enable the research to analyze the causes and impacts of strategies implemented that will allow the study to determine its efficiency.

The researcher chose to utilize this design because of the intention to gather first hand data from the marketing managers of Starbucks in order to establish direct conclusions for the research. As this study is an action research, it will utilize both quantitative and qualitative methods in achieving the study's goal, which is to determine the effectiveness of green marketing strategies of Starbucks.

This study began by specifying the applicable research questions. This was made in order to narrow the study's scope and to collect only relevant information. Priori models were used to help in the construction of concept building that would allow the research to be flexible. The research questions and design support the study objectives as they aid in the investigation of results. More importantly, they are not restrictive in the gathering and interpretation of information wherein the design allows the research to be exploratory by nature.

Random consumers were selected in order to test consumer perception. The interviewees were purposefully selected to be marketing managers in order for them to provide pertinent data to the research. The rationale behind the survey was the fact that although the research provided useful insights into green marketing, our understanding of consumers' use and engagement in green marketing for Starbucks and/or advertising activities remained deficient. Therefore, the purpose of the survey was to figure out whether or not gender, age, income and employment status have an impact on consumers' engagement in Green Marketing.

Descriptive statistics provided control over extraneous elements during the survey portion.

3.2. Hypothesis

As the results of the literature review indicate the hypothesis of this research states that green marketing strategies were implemented to improve the company's brand equity. It was also done in line with Starbucks' corporate social responsibility goals. As such, consumer and stakeholder perspective has been favorable increasing the company's business viability and longevity.

3.3. Research Questions

This dissertation contains the following research questions:

1. What is Corporate Social Responsibility and how did it come about?
2. What are the theoretical basis for Corporate Social Responsibility?
3. What are the latest trend in Corporate Social Responsibility?
4. What is Green marketing in the context of its purpose as well as its direction?
5. What is the comprehensive Green Marketing Strategy being employed in Starbucks?
How did Starbucks integrate green marketing into a company's corporate social responsibility program?
6. How does Green Marketing Strategies and CSR Program influence consumer behavior and perception?

3.4. Methods of Analysis

Data analysis would include analyzing, tabulating, hypothesis testing and combining qualitative and quantitative data.

In analyzing the literature on Green Marketing, the researcher would employ three strategies. This includes identifying first the theoretical basis for the concept. The basis would be the different theoretical propositions of different authors as to the nature and direction of CSR and Green Marketing. After which, references that would give an opposite point of view on the theories that was presented. This would include logical deduction about the said issue at hand. Research on further practical applications of the said issues would also be done.

Once the nature are already set up, research on the current strategies that is being employed as part of the Green marketing will be presented. This would again look up for concrete examples that would demonstrate the strategies presented.

The company profile of Starbucks will then be described. The paper would zero in as to why, when and how the company integrated the Green Marketing in their program. It will present a comprehensive study on its existing policies, practices and products. The impact of CSR on consumer behavior will also be evaluated. It will specifically discuss the issue on Green Marketing. Aside from taking into account the point of view of the consumer, the impact of this program to the profitability of the company will also be discussed. The Financial statements will then be presented. Focus will be given on the cost and profit during the time that Green Marketing was employed and not employed.

Lastly a survey will be conducted. The data will be collated and analyzed using inferential statistics as well as hypothesis testing. Since the different demographics will be presented, Analysis of Variance will be employed to determine if there is a significant difference among the different demographics as to consumer preference.

In analyzing the data, the following order shall be used:

Qualitative Content Analysis

Quantitative Content Analysis

Hypothesis Testing (Inferential Statistics)

Reliability and Validity

The term “triangulation” is also closely associated with quality conversations of qualitative research. More specifically, the aim of triangulation is to elaborate on the quality and credibility of the data collected (Patton 1999). It is defined as “the combination of methodologies in the study of the same phenomenon” Denzin (1978: 291). According to Patton, There are four kinds of triangulation that will contribute to validation of qualitative analysis:

1. triangulation techniques

2. sources triangulation
3. triangulation of interviewers
4. triangulation of the different kind of perspective.

Methods triangulation refers to method of data collection (Lincoln & Guba 1985). It is often done by comparing data that was collected utilizing the qualitative method together with the data collected through quantitative methods (e.g. Lincoln & Guba 2000). This sometimes is not direct in its analysis. In order to resolve this, it is essential to give emphasis on qualitative data that can be easily combined as one seeks complementary correlation of the same phenomenon (Patton 1999). This method will be employed when the statistical data on consumer preference is to be compared with the expected consumer acceptance of the company.

Data sources triangulation is defined as comparing and cross-checking the consistency of information derived at various times and by different methods within qualitative parameters this could mean comparing 1) observations with interview data; (2) people's public comments vs what they say in private (3) consistency of the response regarding the same issue at different periods of time and (4) identifying the different points of view of people together with presenting different perspectives on the issue. This method will be employed when comparing the financial statements of Starbucks and relating it to the consumer preference that was observed

The third kind of triangulation is analyst / investigator triangulation that utilizes more than one observer, interviewer or data analyst in the study (Patton 1999). The purpose of using multiple investigators or analyst is to minimize the possibility of showing bias in collecting, reporting, coding or analyzing the data and to pave way to internal validity (Boyd 2000). Having more than one investigator on the team has the potential for keeping the team

honest, therefore increasing the credibility of findings. This method will be employed by comparing the statistical analysis of the data collected with the different demographics.

Theory triangulation is a process whereby emergent findings are examined in relation to different perspectives (Lincoln & Guba 1985, Denzin 1978). The main point of theory triangulation is to understand how findings are affected by different assumptions and fundamental premises (Patton 1999). Thus, one of the key benefits of theoretical triangulation is that it provides a broader, deeper analysis of findings. This method will be used when comparing the theoretical framework of Green Marketing with that of its integration with Starbucks.

3.5. Data Sources

This researcher utilized survey questionnaires and interviews to collect primary data. The questionnaire structure will make it possible for consumers to provide their perspectives and concepts on the various green marketing strategies of the company. The researcher will compose a questionnaire with close and open-ended questions that would aid in the collection of substantial data. The questionnaire was design to be easy and understandable for respondents. Please see sections Appendix A and B.

It was important to conduct a primary research in order to obtain firsthand information. This would benefit the study, as personal interviews of Starbucks' marketing staff would include the high probability of collecting reliable information. This increases the study's accuracy and provides insight on the subject. However, the disadvantages of conducting interviews would be interviewer bias and time constraints of the study.

Secondary research is the most common research method used in any dissertation. This is the use of data collected by other researchers. This will enable the researcher to evaluate on studies made on Starbucks' green marketing strategies that will be useful in the comparative

analysis of this study. It will support hypothesis testing in making conclusions and recommendations for this research. However, secondary data may not be updated or relevant to the subject matter especially since there are no researches that discuss the problems presented in this study.

The data collected and are analyzed as indicated:

1. Respondent results from questionnaire are shown in charts and tables to allow an comprehensible analysis. To gather reliable information to support generalizations of the study, the author administered the questionnaire to 150 consumers and ten interviews of Starbucks marketing managers.
2. Sample green marketing programs were used to assess the strategies of Starbucks. Estimated financial information and corporate strategies were also obtained from the interviews. This information supports the research objectives wherein data necessary to analyze the efficiency of Starbucks' green marketing strategies were taken from primary sources.
3. Published financial highlights were compared to Starbucks' green marketing strategies implemented. This is to evaluate the effectiveness of the various marketing strategies. Information gathered combines both primary and secondary sources to increase this study's validity and accuracy.
4. The study also required the gathering of operational data. This information was collected through the company's financial statements and based on answers from interviews conducted.

IV. Discussions

4.1 Interpretations of results

The interview questionnaire consisted of ten questions with six close-ended questions and five open ended questions. This aided in the further probing of the study that would increase its accuracy and validity. Ten marketing managers of Starbucks were interviewed extensively and mostly all agreed on the high influence of the company's Corporate Social Responsibility in the establishment of green marketing strategies. This directly affected their activities that were mainly promotional in nature. The interviewees noted how the company's website played a strong role in promoting the company's environmental efforts to the public. This was supplemented by outlet marketing schemes that informed the public about their ethical and sustainable practices.

The managers generally agreed that their consumers are aware about their CSR action plan and green marketing strategies. This is supported by the secondary literature collected and with the further response of the managers in stating that they mainly engaged in promotional activities in their green marketing strategies. During further probing, the managers revealed that this was a necessary component in letting consumers know about their efforts as a way to show their strong commitment. It was a marketing strategy that appealed to consumer interest and emotions wherein they felt united with the customer in terms of their social responsibility to public welfare.

The managers interviewed indicated that their green marketing strategies increased their profitability especially encouraging repeat customer patronage. It also enabled them to enter new market segments as they became respected for their environmental efforts. The positive results in engaging in green marketing strategies increased consumer awareness and market

share; and increased brand equity. The manager's responses are similar to the financial reporting of positive figures during the same period of 2009 to 2011 when the green marketing strategies were initiated. The strong financial performance of the company allowed them to rebound from the low period of 2007 to 2008 wherein they were able to increase their financial performance.

The interviews revealed how the company's CSR policy was inculcated into the company's internal communications and employee training. This implies how green marketing strategies were seamlessly integrated into their daily operations. The interviews showed how an increased consciousness within the company led to a change in their decision-making behavior implying how stakeholder's theory impact organizational activities. Primarily, as the company chose to take a stronger position towards environmental responsibility they were responding to internal perspective changes first, and then acted on external perspective changes second.

The increase in the company's overall performance is almost unanimously concurred by managers as they noted how employee consciousness habit changed their outlet operational system. Significantly, this increased their efficiency and performance as their employees also believed in the values espoused by the CSR policy and green marketing strategies. The commonality in concern helped the company generate innovate ideas in cost reduction and environmentally safe programs that supported their efficiency in the delivery of the final product. Significantly, the adoption of green strategies was successful in adding a value to Starbucks products, which led to increase patronage and market share. This concurs with literature researched on the topic showing how the company was able to use green strategies as a competitive advantage.

The company utilizes the CSR policy and customer feedback in the creation of their green marketing strategies. This implies their close interactive nature with the customer as the company has been successful in building a strong online community. The interviews indicated that Starbucks does follow industry trends but were one of the first to apply green marketing strategies due to their online presence. The company has maintained a customer building relationship business strategy, which has allowed them to gain insight on consumer interest and needs. The most noticeable of which is the shift in the market towards online usage and environmental concerns. This reveals how the website serves as an important communicative tool for the company especially in the execution of their marketing strategies.

The interviews also revealed that the company has never allocated a high budget in advertising and marketing schemes. They rarely utilize traditional means of marketing however; they apply the principles of marketing in their online presence and retail outlets. This allows them to create the right marketing mix that suits their customers and maximizes their profit returns. The effectiveness of their marketing campaign is seen in their sales profit and customer feedback. The managers agreed that sales figures are considered more as a benchmark of their success especially since they also operate in achieving business targets. However, as their campaigns uniquely combine people and profits they are able to maximize their returns and even have the luxury of charging a premium.

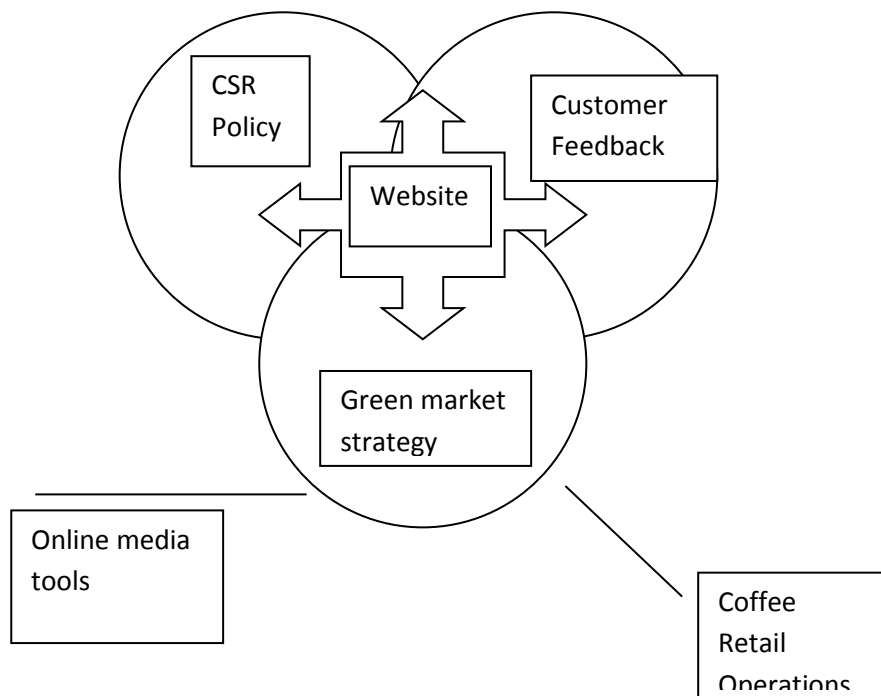
The interviews also revealed that promotion played a role in charging a premium since they had to explain to the customers the reasons for their prices albeit indirectly. They were not surprised with the positive reaction since they have mined their customer feedback system wherein they intelligently guessed beforehand that they would have a positive response from consumers. This included their announcement of purchasing sustainable coffee beans, which was

a key issue in the coffee industry the company wanted to address. The managers agreed that Starbucks would not have wanted to be misaligned in the public's perception as there were many news agencies reporting about plights in the coffee industry. In this way, Starbucks was the first global company to support sustainable practices that was a critical public relations move but also reflected the ideas of their shareholders, employees and customers.

The interviews also reflected the manager's values of caring about the environment and people noting how the company also has the same perspective. This was especially important and integral to brand image of Starbucks. The company wanted to maintain its integrity and leadership but also their brand equity. The managers concurred how the promotion of their CSR policy helped change business and industry perspectives and practices. They are strongly committed to maintaining their environmentalist image wherein the advantages are the changes that they witness in the industry itself.

The marketing managers explained how their green practices was once first an internal organizational value. It eventually evolved to become important to the community that they operate in wherein they were by then ready to respond to the changes consumers demanded. This concurs with literature researched on the subject matter especially as the company was able to inject customer service above all in their operations. As the interviews revealed how the environmental ideas came from their customers, they were simply answering to consumer lifestyle changes. Furthermore, it also shows their dedication to the customer placing them first in their operational activities. In this way, the interviews revealed the concept building of marketing strategies in Starbucks that relied heavily on customer feedback and on their online presence.

This helped answer the research questions about the importance of Corporate Social Responsibility policies in the development of green marketing strategies. It also indicates the strong importance of online tools in the execution of marketing strategies. The managers' response showed the decision making process within the company that influenced the creation and execution of their green marketing strategies. As such, their responses can be deduced into the diagram below.



The survey questionnaire was administered to 150 consumers chosen at random. The questionnaire consisted of ten close-ended questions to determine their perspective on the green marketing strategies of Starbucks. The results of the survey indicated that nearly eighty percent were frequent customers of Starbucks products. This helps prove that the campaigns are presently effective in increasing market share, as many of the respondents were repeat customers. Nearly all of the respondents were aware of Starbucks' environmental campaign and green marketing strategies. Many noted that this directly impacted their purchasing habits enticing them more to patronize Starbucks products.

More than ninety percent were in agreement that this helped increased the company's brand equity supporting secondary literature researched and interview responses. This also supports how Corporate Social Responsibility as a theory is able to change consumer habits appealing to universal values and emotions. It is likely that consumers felt encouraged to purchase due to the green marketing strategies of promotion as they felt they were contributing to a greater good by patronizing a company that also gives back to the community. Most unanimously agreed that green marketing helped the company increase their profitability as this appealed to a social cause and was in line with consumer tastes and preferences.

The survey also revealed that they ranked the marketing strategies as generally effective wherein it encouraged a change in their perspective about the company thereby increasing their brand equity. Furthermore, the campaigns were successful in helping the company perform financially well increasing their efficiency and leadership in the market. A key importance was their high ranking of sincerity in Starbucks' environmental and green marketing strategies. This supported its success as the company is seen as a business that exists with a social cause and purpose and not simply for profit. Furthermore, the sincerity factor is an

important element in creating the right marketing mix for green marketing strategies. In this way, the company is able to communicate to the general public their commitment and genuine effort and concern. This is parallel to the responses of the managers of the usefulness of the website as a communicative tool in effectively executing green marketing strategies.

It also supports that the company has been able to position themselves successfully in the customer's perspective wherein they see the advantages of sustainable practices not only in terms of profits but also towards contributing to the general good. This is indicative as well of the company's success in relaying their ideals and values to the community and to their consumers. It is important to note that emotional building is also integral to their business strategy of forming customer relationships, which is an important aspect to the company's business viability and longevity.

Moreover, nearly ninety percent of the respondents also agreed that they were influenced with the ideas of Starbucks especially changing their habits in reuse, recycle and reduce. The increase in their environmental awareness and responsibility is a critical impact of utilizing green marketing strategies wherein the underlying aim is for the company to create actual change in society. This survey indicates that their promotional activities are successful in increasing the participation of every consumer in their role towards saving the environment. In the end, this is the ultimate goal of implementing green marketing strategies as the business serves as a motivator for social change.

However, the survey also indicated that a large part of consumers feel that Starbucks should change their pricing strategy. This indicates the high competition in the coffee retail market, as other coffee houses are able to provide cheaper alternatives for customers. The survey reveals that price still is a main purchasing motivator for consumers wherein Starbucks may have

not been able to fill in the gap since they charge a premium for their products. More importantly, the survey also shows that the stronger CSR campaigns should also be applied. This indicates the current market dilemma, which is balancing prices between sustainable practices wherein Starbucks should have a long-term plan of addressing price wars with their rivals. It also implies that the company has yet to recover from their green building initiatives wherein they are further challenged to decrease prices in order to maintain their market share and leadership.

Overall, as consumers perceive a high application of their CSR policies in their daily operations this is indicative of the company's success in integrating the principles of CSR with business management. The company has been able to gain a wider market share and increased patronage. More importantly, they have been able to increase the brand equity narrowing the gaps in consumer perception. The survey shows how the company has been able to apply an effective marketing mix that utilizes their resources effectively in promoting their green practices. They are able to change consumer perspectives and entice purchases enabling them to reach their sales targets and achieving profitability. The perception of the public remains favorable to the company that supports the manager's response and financial indicators collected.

V. Conclusions

5.1. Evaluation of the Hypothesis

The hypothesis of this dissertation is that green marketing strategies were implemented to improve the company's brand equity. It was also done in line with Starbucks' corporate social responsibility goals. As such, consumer and stakeholder perspective has been favorable increasing the company's business viability and longevity. The result of the interviews and surveys administered was able to show how the company was able to effectively utilize consumer value positioning. Starbucks products were presented as a company that favored sustainable methods that is seen in the final product manufactured. It met the needs of consumers and industry standard environmental practices. The positive remarks showed the customer's perspective that they approved the company's environmental standards which enticed them to continue patronage. Consumers responded well with the integration of corporate social responsibility goals into Starbucks daily operations wherein the results are indicative of achieving a higher brand equity. The company was successful in improving their brand image at a critical period when they were experiencing a stagnation in terms of revenue goals in 2007 and 2008.

As the company embarked in a green marketing strategy, they were able to reposition Starbucks products using sustainable coffee beans, recyclable packaging material and committing to changing the operations of their outlets to favor renewable energy. The company was able to calibrate consumer knowledge by informing them of their environmental goals and assigning a corporate social responsibility section in their annual reports. As such, they were accountable and transparent to the public. The company did not use a new slogan but rather optimized their online presence by presenting their green products to consumers. They had a

clear and straightforward message that reflected consumer values as they enhanced their image as a socially responsible company.

This created an add on value that effectively increased the high perception of quality in the consumer's perspective. It is also important to note that this was in alignment of the company's shareholder perspective and internal corporate values. Their green marketing strategies was able to increase brand equity by applying their Corporate Social Responsibility policy into concrete action plans. This allowed them to increase market share and sales in the succeeding periods from 2009 to 2011. Their marketing tactics were able to convey an important element of credibility wherein consumers were not disappointed with the final product. The survey results proves this as consumers noted how a high knowledge about the company's corporate social responsibility, environmental campaigns and green marketing strategies. This created a leverage giving the company competitive advantage over its rivals.

Starbucks as a company has been able to prove that it can apply sustainable methods in their supply chain in order to achieve business targets. They were able to effectively manage their resources and brand image showing how the application of a CSR policy can be an efficient means of marketing products. The saleability of Starbucks products further increased after the implementation of green marketing strategies wherein the company did not increase their allocation of marketing budget. They fully optimized the use of online tools and social media in order to communicate their message to their customers. Significantly, this helped the company during adverse market periods enabling them to embark on further product expansion and other business profit streams. Through green marketing, the company has been able to show strategic marketing for the first time in its history wherein activities became aligned in creating an add on value to their products. The intrinsic value that they were able to create is an high customer and

stakeholder perception to the brand and their cause. As the company initiated different activities that aimed in collectively achieving their corporate social responsibility goals, they were able to accomplish business viability and longevity. This is due to the long-term commitment green marketing strategies have compared to other short-term marketing tactics. The company has since maintained long-term goals in anticipation of achieving them and becoming fully fledged sustainable coffee retail operation outlets.

5.2. Research Limitations

It was noticeable that there was a lack of academic literature on the green marketing strategies of Starbucks including the absence of related corporate social responsibility literature. This added to the limitations of the study including the estimation of marketing budget finances, strategies and programs used by Starbucks. Some of the information was sourced from published materials however, during the primary research conducted actual figures and statements were not revealed due to the company's internal privacy and confidential guidelines. As such, the responses of interviews conducted and surveys cannot ensure long-term dependability. The interviews most especially may have interview bias, as they are current employees of the company wherein they are not at liberty to say any negative perspectives about their green marketing strategies.

5.3. Recommendations

This research recommends that Starbucks must further invest in market research and product development. The research conducted revealed how the company relies heavily on their website for customer feedback wherein the managers interviewed did not reveal any cohesive strategic marketing strategy. In this way, it can be surmised that the company still allocates a low budget in their marketing section that is below their rivals such as McDonald's. The company

thus faces future challenges in terms of securing market share and leadership as they only utilize the Internet and online tools as form of executing marketing plans. The company will need to innovate further in this area by increasing their market research means in order to forecast future consumer tastes and preferences (Ottman 2011, p. 182).

The study also revealed the issue of price noting how Starbucks products are more costly compared to others. In spite of its high brand equity and preference for customers, the company faces the challenge in being able to compete competitively in terms of price ranging. The research shows how consumers are willing to pay for a premium for Starbucks products but in the long term price will become a critical element in determining consumer choices. This indicates that the company should also focus on the other segments of green marketing as there is an imbalance favoring heavily on green promotion. The company must also develop their targeting, green design, green price and green positioning in order to execute their strategies more efficiently. At the moment, they are currently satisfied with the company's performance but in the long term, the company will need a marketing audit that studies their internal and external business environment. This is the only way in which the company can continue on leveraging in their green marketing wherein they can communicate the reasons for their high price compared to other coffee houses (Dahlstrom 2010, p. 144).

The company will need to continue to innovate on their products centering on their environmental practices and communicating this to the public other than online platforms. Significantly, the challenge of the company is demanding from them to concentrate their efforts on brand development making sure they do not over expand and deviate from their specialty coffee expertise. They are now known as an environmentalist organization wherein they will face increasing pressure in the future to enact more sustainable practices. This will require a

reinvestment again and crucial efforts should be focused on enacting marketing activities that contribute to the add-on value of their final products. This demands a continuous evolvement of their marketing mix focusing more of their efforts in other areas such as green design and pricing (Etsy and Winston 2009. p. 183).

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Appendix A

Interview Questionnaire

1. How does Starbucks' corporate social responsibility policy play a role in the implementation of green marketing strategies?

_____ High

_____ Medium

_____ Low

2. Are Starbucks consumers generally aware of the company's corporate social responsibility and green marketing strategies?

_____ High

_____ Medium

_____ Low

3. Please rank in the manner of importance and application of the following green marketing strategies at Starbucks. 5 being the highest, 1 lowest.

_____ Targeting

_____ Green Design

_____ Green Positioning

_____ Green Promotion

_____ Green Pricing

4. How has the green marketing strategy impacted Starbucks? You may have more than one answer.

_____ Increased market share and consumer awareness

_____ Increased company's profitability

_____ Increased brand equity

_____ Decreased company's finances

_____ Decreased brand image

_____ No significant impact

5. Is there a difference in the company's financial performance before green strategies were implemented? Please explain.

_____ Yes

_____ No

6. Please name the ways in which the company has integrated green marketing strategies into its operations.

7. How has green marketing strategies impacted the company's overall performance? Do you believe it has increased the organization's efficiency?

8. How does the company formulate their green marketing strategies?

9. How does the company measure the effectiveness of their marketing campaign? You may have more than one answer.

_____ Sales Profit

_____ Increased visibility

_____ Customer Feedback

____ Increased market share

10. What are the noted advantages in implementing a green marketing strategy?

Appendix B

Survey Questionnaire

1. How often do you patronize Starbucks outlets?

___ High

___ Medium

___ Low

2. Are you aware of Starbucks' environmental campaign/green marketing strategies?

___ Yes

___ No

3. Does this affect your patronage of their products and services?

___ Yes, I am more likely to purchase.

___ No, it doesn't affect my purchasing choices.

___ Their marketing strategy or environmental campaign does not affect me.

4. Do you think that Starbucks' corporate social responsibility has increased its brand equity?

___ Yes

___ No

5. Do you think that Starbucks' green marketing strategies has helped them in terms of profitability?

___ Yes

___ No

6. In general, do you think Starbucks' green marketing strategies are effective?

___ Yes

___ No

7. Do you feel that Starbucks' marketing campaigns are sincere and advantageous to consumers?

___ Yes

___ No

8. Has Starbucks' green marketing helped change your consumer habits e.g. reuse, reduce and recycle?

___ Yes

___ No

9. How do you think can Starbucks improve on their marketing strategy?

___ Make prices more competitive

___ Increase promotional activities

___ Improve on their design e.g. logo, packaging

___ Apply stronger corporate social responsibility campaigns

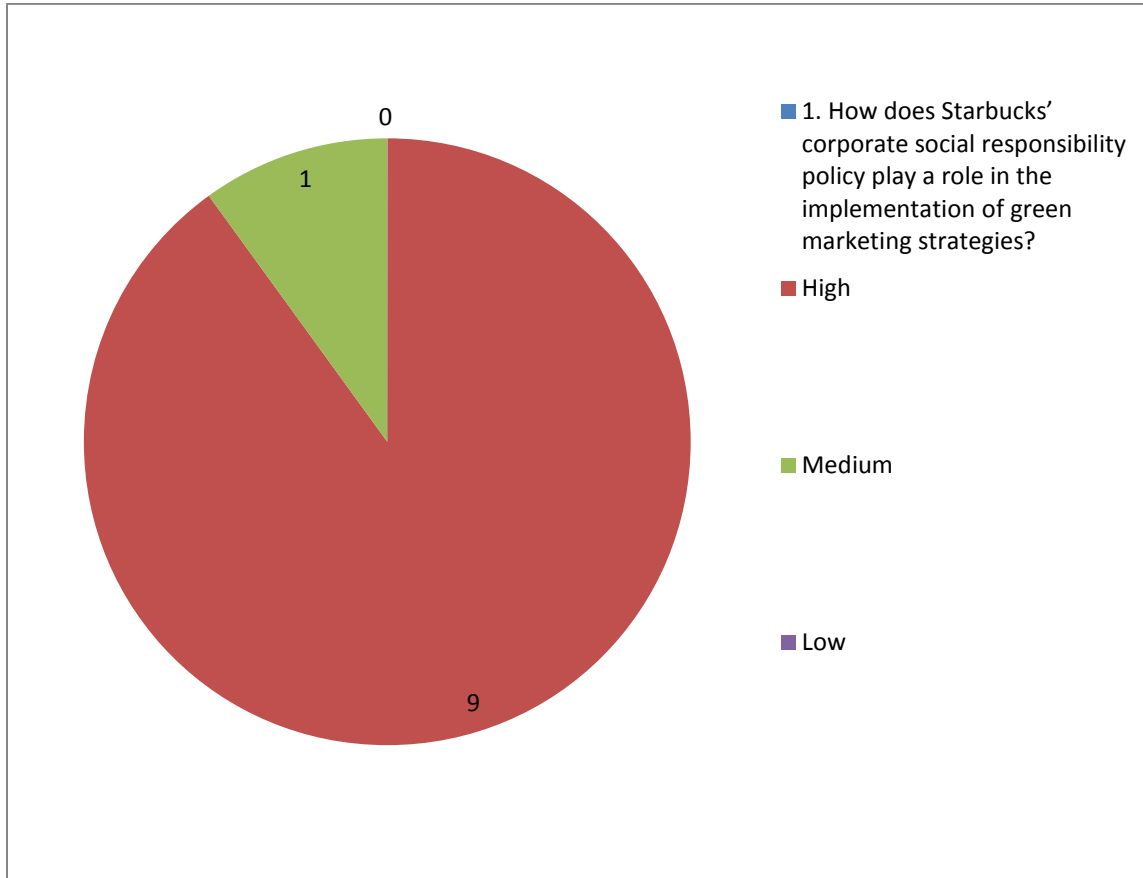
10. Do you believe that Starbucks' corporate social responsibility is manifested in their daily operations?

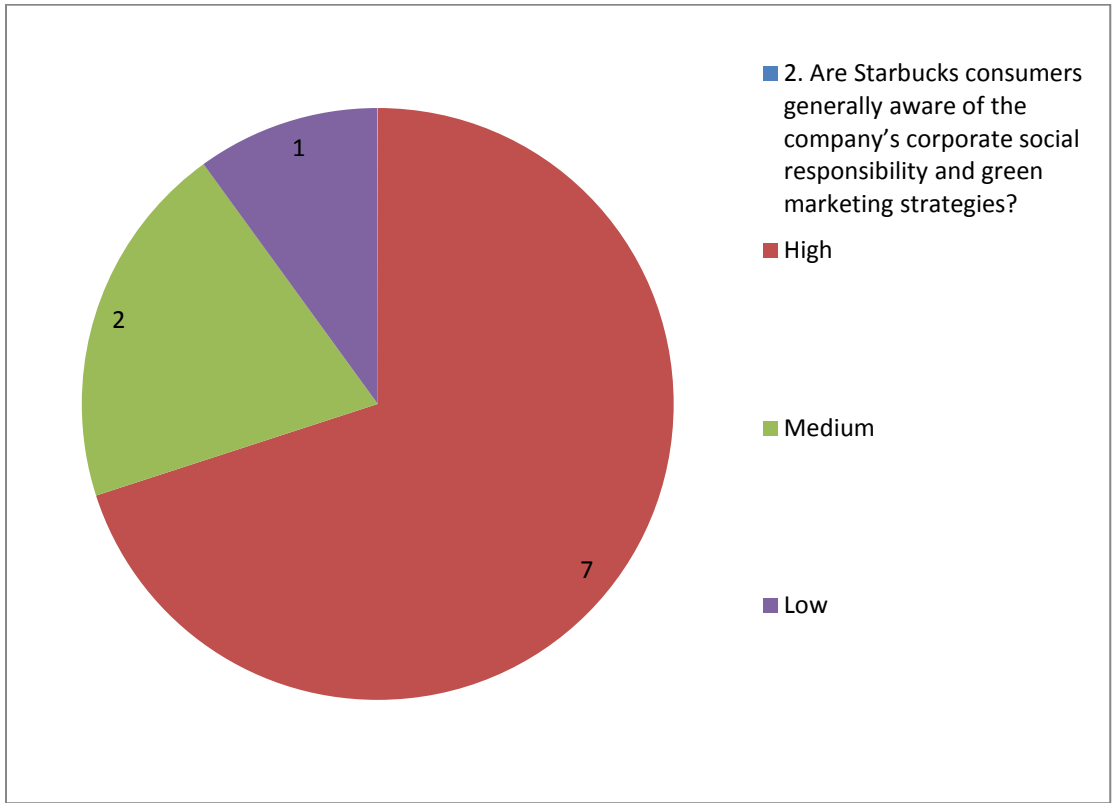
___ Yes

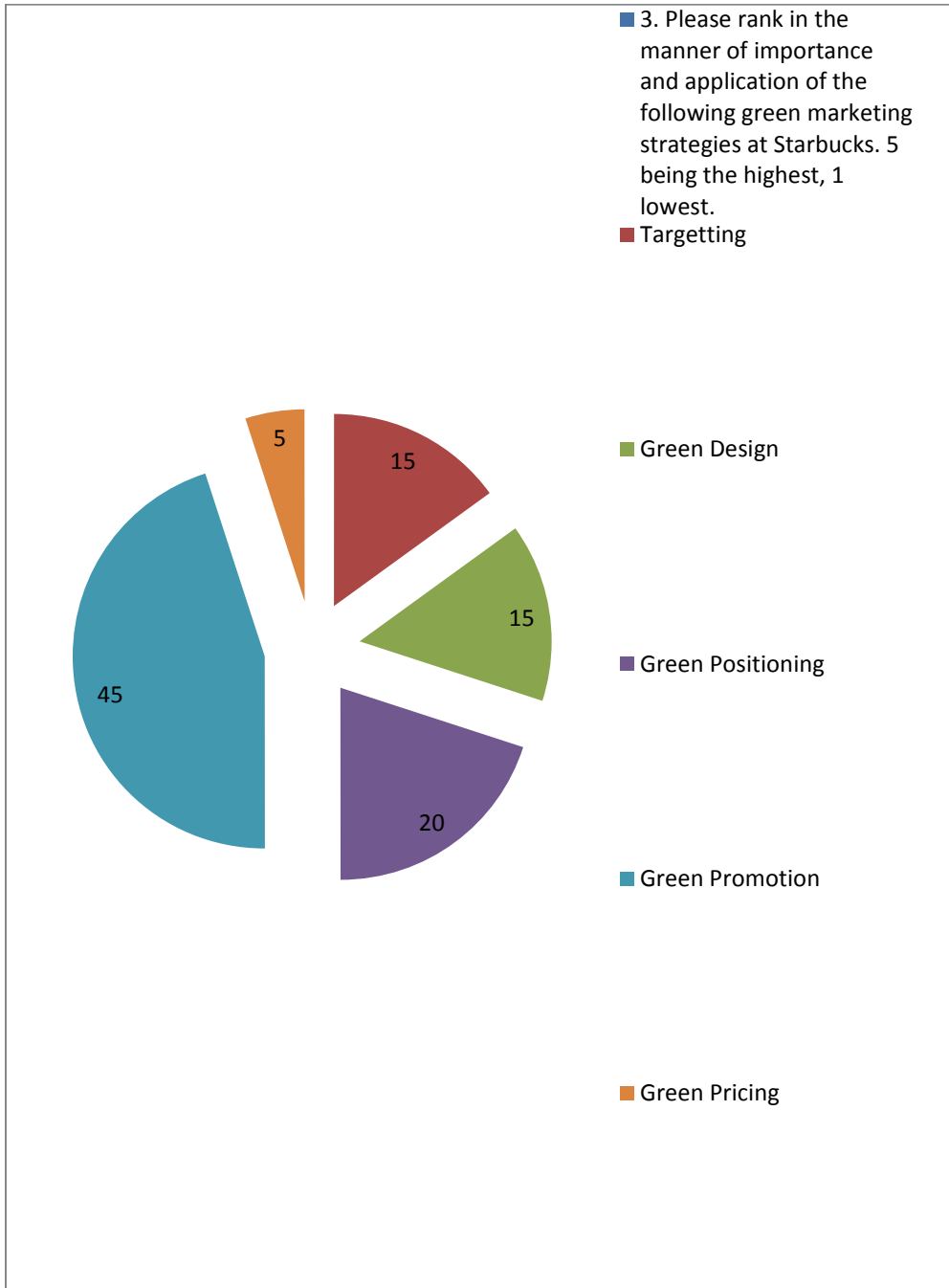
___ No

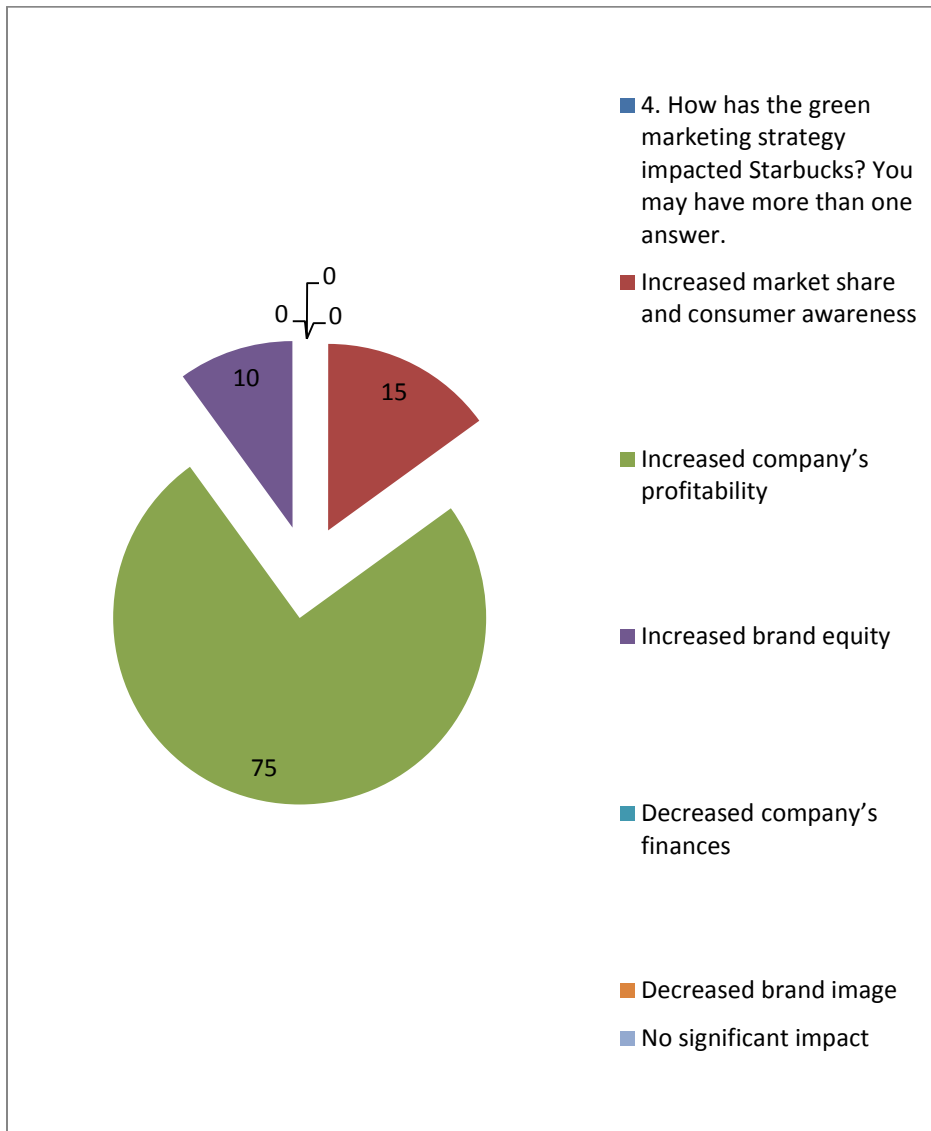
Appendix C

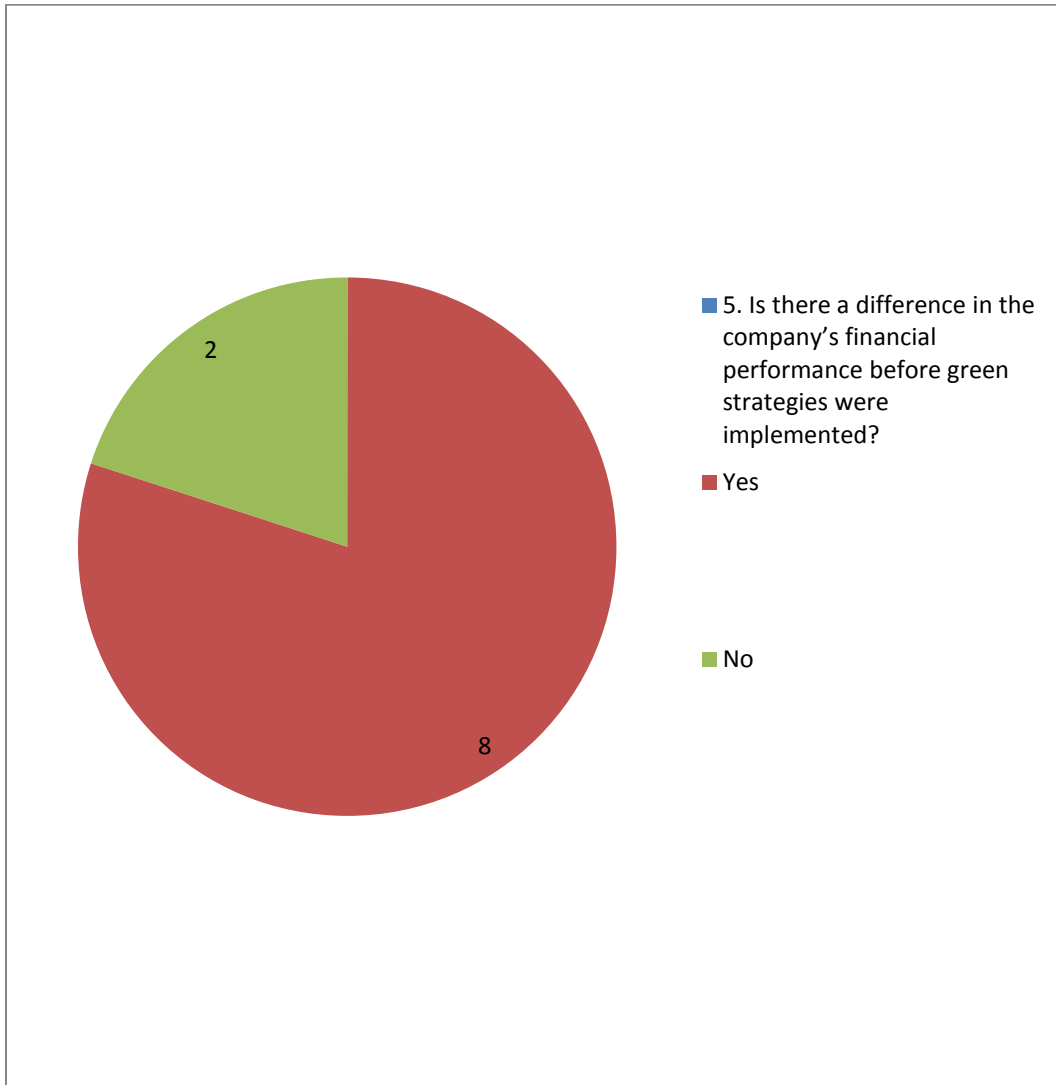
Interview Questionnaire Chart Results

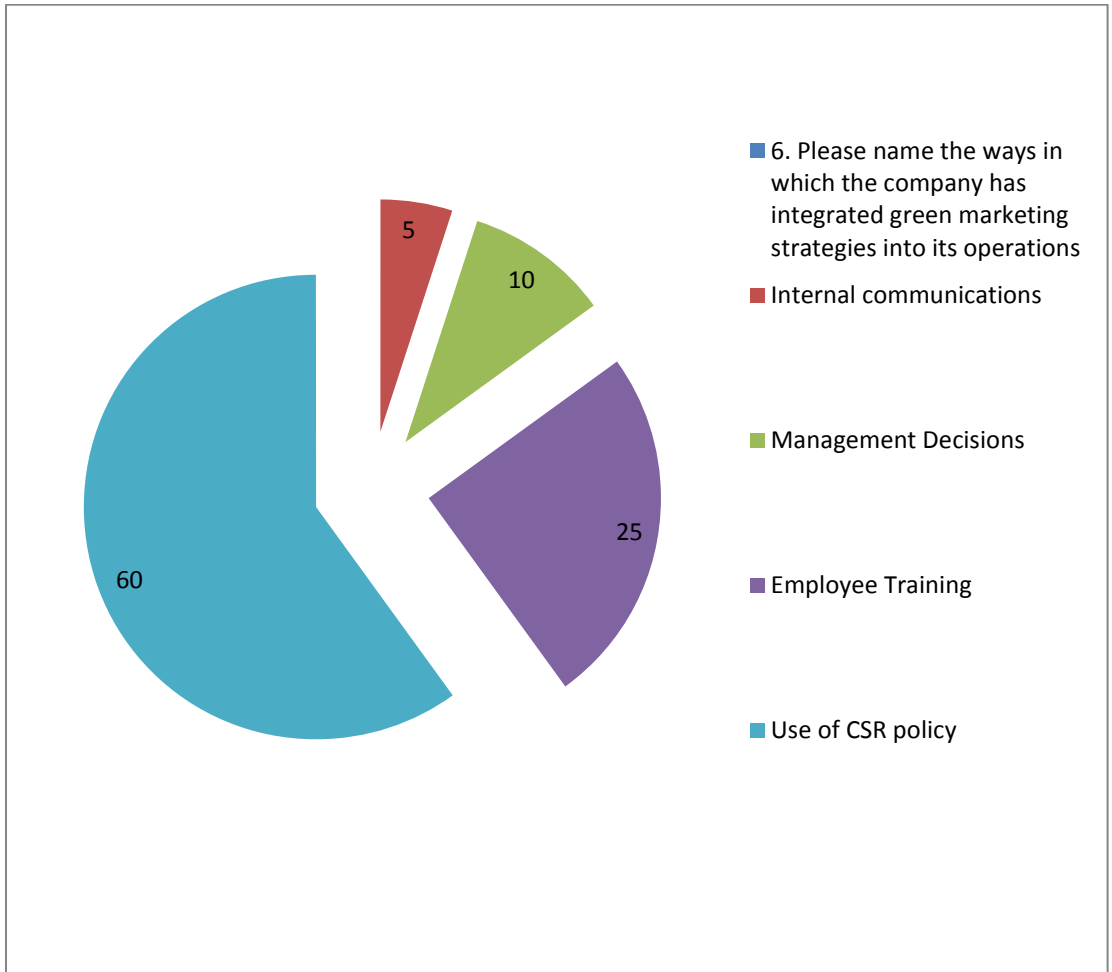


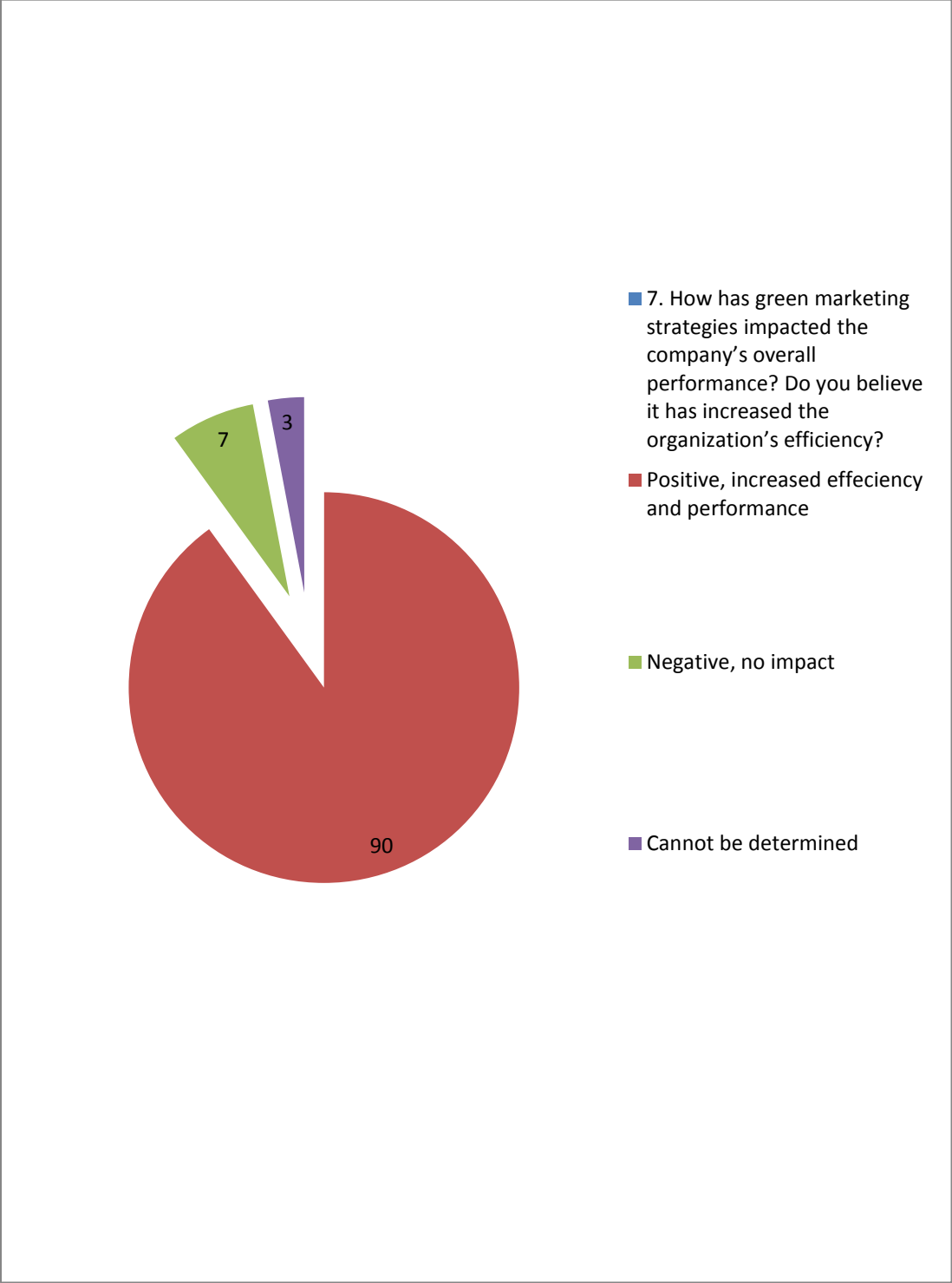


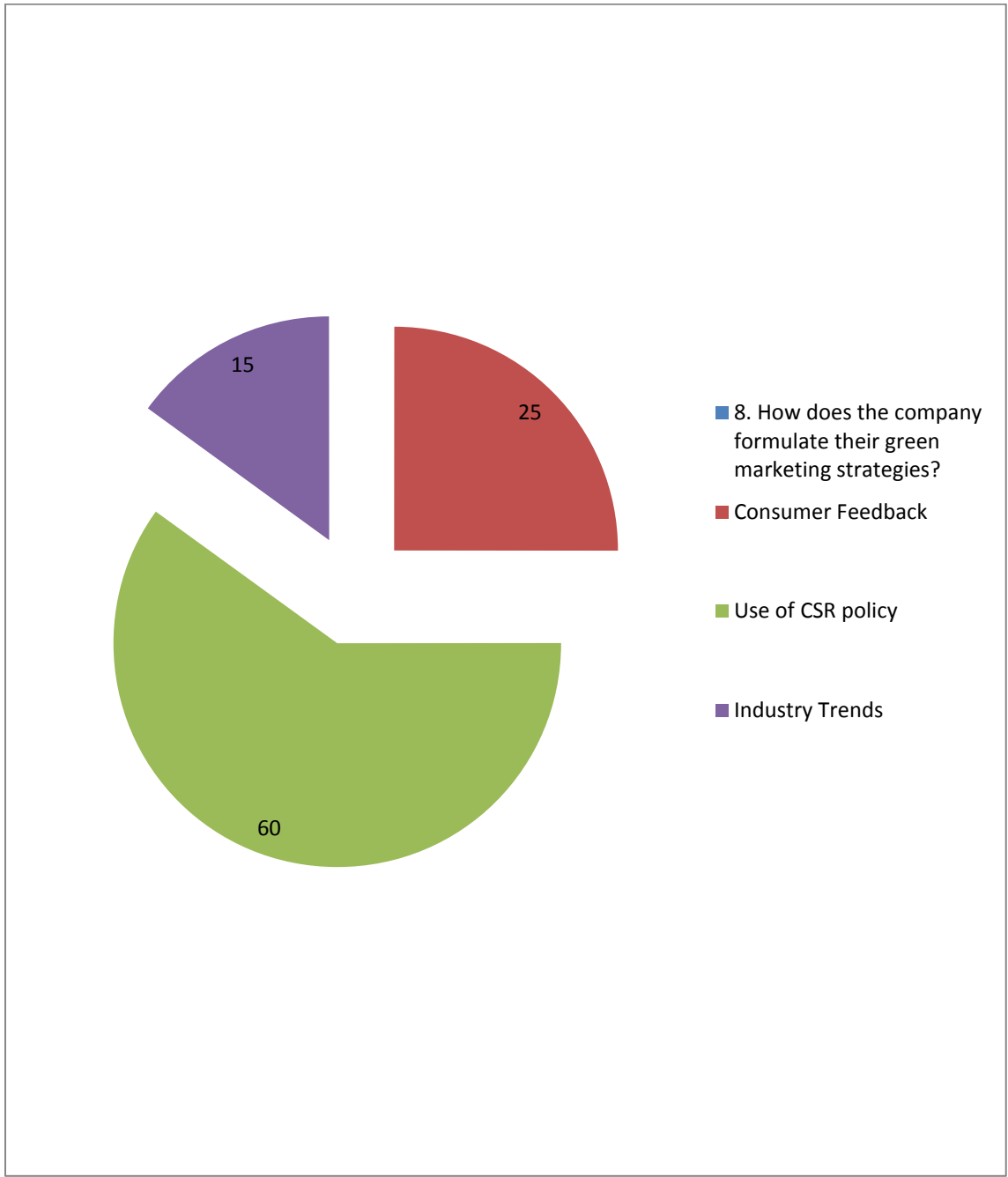


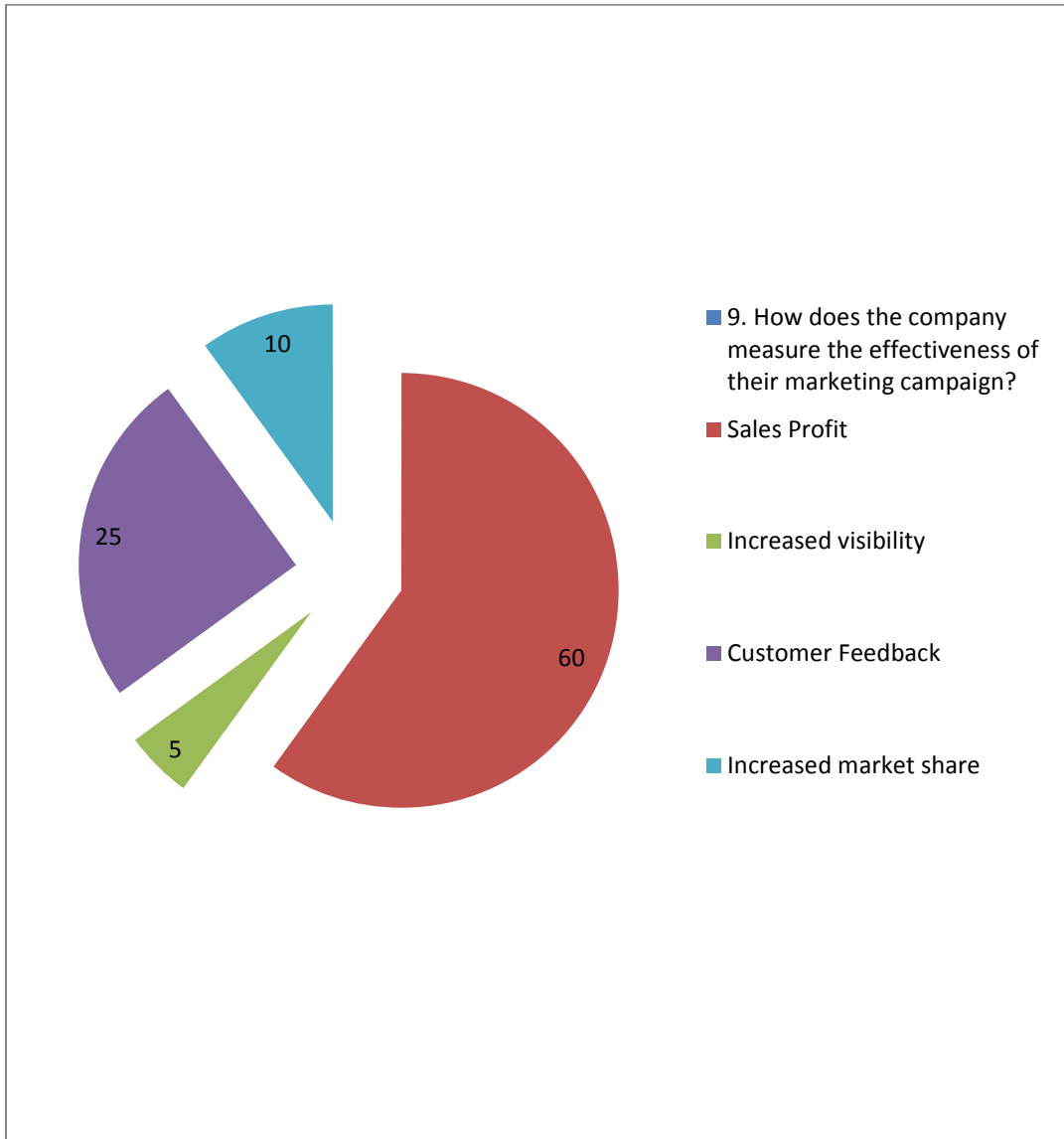


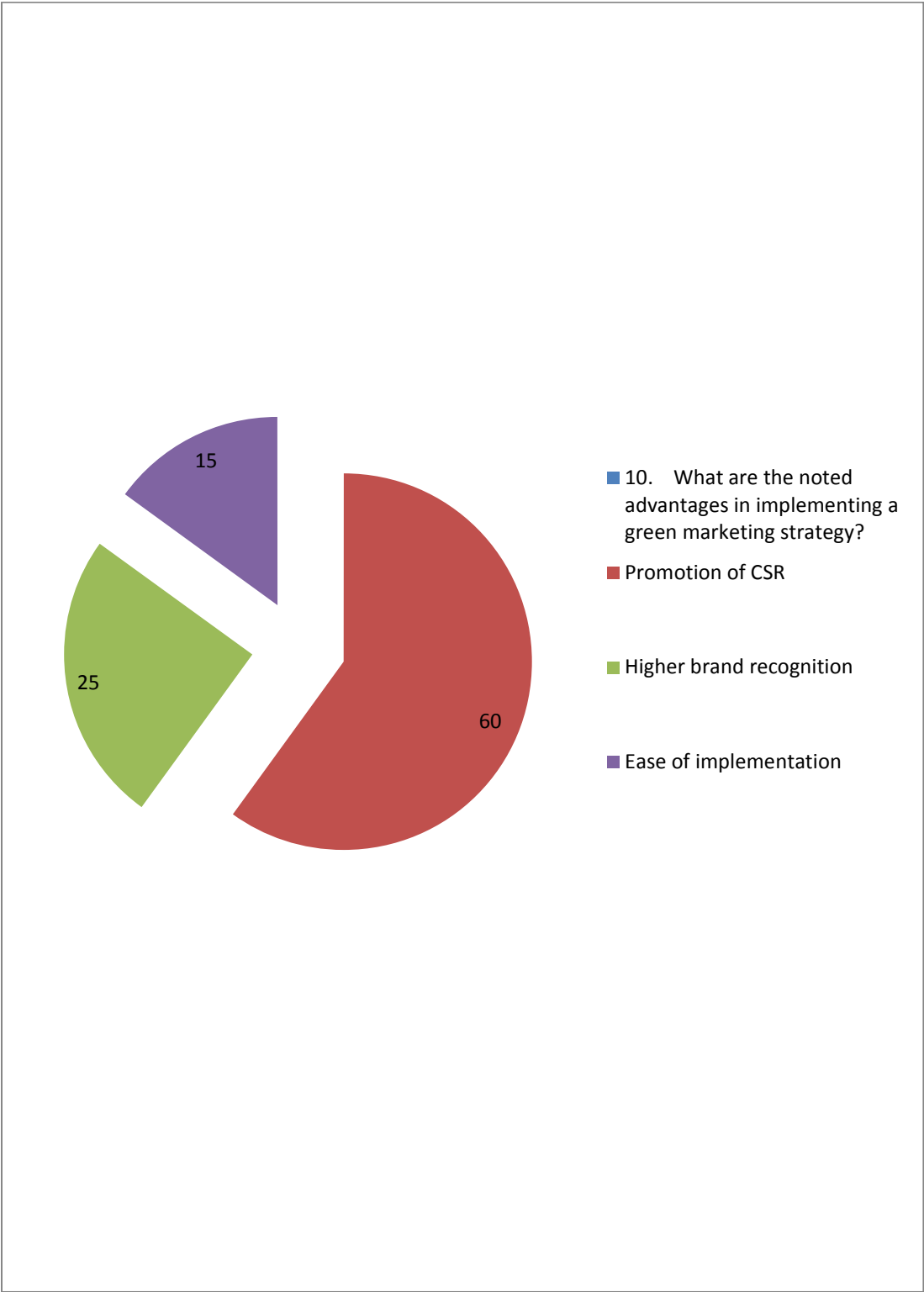












Appendix D

Survey Questionnaire Chart Results

