

**THE IMPORTANCE OF GREEN MARKETING FOR
PORTUGUESE COMPANIES IN THE FOOTWEAR INDUSTRY**

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Abstract

The concept of sustainability, with three pillars, environmental, social and economic appeared in the context of our society as a possible solution to our planet problems and challenges and it rapidly achieved the business world.

Companies started to be committed to the future and to sustainability, through Corporate Social Responsibility practices, adopting a business model that evaluates the consequences and impacts of its actions and contemplates social and environmental aspects in its financial vision (Aligleri et. al., 2009).

If we think about the footwear industry, that largely contributes to and is affected by the environmental degradation and social challenges that the society is now facing, it makes all sense to understand how companies in this sector operate, particularly in terms of environmental protection. If at an early stage, this industry was only concerned with fulfilment of the requirements established by environmental legislation, more recently it has been worried about the impact of its products and processes on the environment and has identified in these products a new business opportunity and a way to differentiate their products on the market.

Therefore, the purpose of this research is to understand what strategies Portuguese companies in footwear industry adopt relatively to sustainability and environmental protection, namely in terms of green marketing strategies. In addition, it will be important to realise their importance for companies and motivations that lead to the adoption of this type of practices focused in environmental sustainability.

Keywords: Green marketing, Corporate Social Responsibility, Portuguese footwear industry and environmental sustainability.

JEL Classification System: Marketing (M31) and Social Responsibility (M14)

Resumo

O conceito de sustentabilidade, incluindo os seus três pilares, ambiental, social e económico surgiu na nossa sociedade como uma possível solução para os problemas e desafios que o nosso planeta enfrenta, mas rapidamente se difundiu para o contexto empresarial.

As empresas começaram a estar atentas e comprometidas com o futuro e a sustentabilidade, através da adoção de práticas de responsabilidade social e de um modelo de negócio que avalia as consequências e impactos das suas ações e que contempla aspetos sociais e ambientais na sua perspetiva financeira (Aligleri et. al., 2009).

Se pensarmos na indústria do calçado, que muito contribui e ao mesmo tempo é afetada pela degradação ambiental e pelos desafios sociais que a nossa sociedade hoje enfrenta, faz todo o sentido perceber como é que as empresas atuam neste setor, nomeadamente em relação à proteção do ambiente. Se numa fase inicial, esta indústria estava apenas preocupada com o cumprimento dos requisitos estabelecidos pela legislação ambiental, mais recentemente tem revelado cuidado com o impacto dos seus produtos e processos no ambiente e tem identificado nestes produtos uma nova oportunidade de negócio e uma forma de diferenciar a sua oferta no mercado.

Assim sendo, o objetivo desta tese é perceber que estratégias são adotadas pelas empresas portuguesas no setor do calçado, nomeadamente práticas de marketing verde. Adicionalmente será importante explorar a sua importância para as empresas, assim como as motivações que levam à adoção deste tipo de estratégias focadas na sustentabilidade ambiental.

Palavras-Chave: Marketing verde, Responsabilidade Social Corporativa, indústria portuguesa de calçado e sustentabilidade ambiental.

JEL Sistema de Classificação: Marketing (M31) e Responsabilidade Social (M14)

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Index

Abstract.....	ii
Resumo	iii
Acknowledgments	iv
Index.....	v
Index of tables	vii
Index of figures.....	viii
List of abbreviations	ix
Chapter 1. Introduction.....	11
1.1 Marketing Research Problem Statement.....	12
1.2 Relevance of the topic.....	12
1.3 Research purpose	13
1.4 Research structure	13
Chapter 2. Literature Review.....	15
2.1 Corporate Social Responsibility and Sustainability.....	15
2.1.1 Management for sustainability	15
2.1.2. Green corporate image	18
2.2 Green marketing	19
2.2.1. Green marketing concept	19
2.2.2 The evolution of green marketing	20
2.2.3. Green marketing as a strategy	22
2.2.4. Application of green marketing strategies in companies	24
2.2.4.1 Marketing Mix in Green Marketing	25
2.2.5. Green brands	32
2.2.6. Greenwashing and green marketing myopia.....	33
2.2.7. Green consumers	34
2.2.7.1 Geographical distribution	37
2.2.8 Green marketing and sustainability in the footwear industry	38
Chapter 3. Methodology	44
3.1 Research Questions.....	45
3.2 Research Hypotheses	46
3.3 Analytical model.....	47
3.4 Interview structure and description.....	49

Chapter 4. Portuguese Footwear Industry	53
4.1 Business conditions.....	53
4.2 Structure and strategy	54
4.3 Production and employment	58
4.4 International context	61
4.5 Foreign trade	65
4.6 Green marketing and sustainability	71
Chapter 5. Data analysis and results	74
5.1 Data collection	74
5.2 Answer to the Research Questions	75
Chapter 6. Conclusions.....	85
6.1 Managerial implications	86
6.2 Research limitations and Future research	88
Bibliography	90
Annexes	100
Annex 1 – Interview script.....	100
Annex 2 – Information about companies analysed.....	103

Index of tables

Table 1: Systematization of the data collected	51
Table 2: Information about the interviews	74

Index of figures

Figure 1: Research structure	14
Figure 2: Sustainability and the Triple Bottom Line	16
Figure 3: Trends in green marketing	21
Figure 4: The Four P components of the Marketing Mix	26
Figure 5: The evolution of marketing management	26
Figure 6: Green marketing mix – Green Product	28
Figure 7 : Green marketing mix – Green Price	29
Figure 8: Green Marketing Mix – Green Place	30
Figure 9: Eco-labels.....	31
Figure 10: Green Marketing Mix – Green Promotion.....	31
Figure 11: Overall Rankings Trends: 2008-2014.....	38
Figure 12: Footwear life cycle.....	39
Figure 13: Research methodology	45
Figure 14: Development of Research Questions and Hypotheses.....	47
Figure 15: Analytical model	48
Figure 16: Consumption and average price in Portugal, 2004-2014.....	53
Figure 17: Percentage of industry’s employees per county (2013).....	55
Figure 18: Average size of companies (2004-2014)	56
Figure 19: Registration requests supported by GAPI/CTCP, 2004-2014	57
Figure 20: Employee distribution by qualification level, 1992-2013.....	58
Figure 21: Footwear employment in total manufacturing, 2004-2013.....	59
Figure 22: Production by type of footwear (value), 2014	60
Figure 23: Production: quantity and average price by type of footwear, 2014	61
Figure 24: Share of different continents in world footwear exports (in value), 2004-2014	61
Figure 25: Footwear external trade of the European Union members, 2004-2014	63
Figure 26: Origin of footwear imports of the European Union members (in volume), 2004-2014.....	64
Figure 27: Footwear exports of the European Union members to other continents, 2004-2014	65
Figure 28: External trade of the Portuguese footwear industry, 2004-2014	66
Figure 29: Share of exports in production and average export price, 2004-2014	67
Figure 30: Share of footwear exports on total exports, 2004-2014.....	67
Figure 31: Revealed comparative advantage, 2014.....	68
Figure 32: Destination of Portuguese footwear exports (value), 2014.....	69
Figure 33: Trade balance, 2014	70
Figure 34: Five main origins of Portuguese footwear imports (value), 2014	70
Figure 35: CTCP logo	71

List of abbreviations

4 P's and 8 P's – Four and eight P's of Marketing

AICEP – Portuguese Agency for Investment and Foreign Trade (Agência para o Investimento e Comércio Externo de Portugal)

AMA – American Marketing Association

APICCAPS – Portuguese Component and Leather Goods Manufacturers Association (Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos)

AVP – Portuguese Vegetarian Association (Associação Vegetariana Portuguesa)

B2B – Business to Business

B2C – Business to Consumer

CSR – Corporate Social Responsibility

CTCP – Portuguese Footwear Technology Centre (Centro Tecnológico do Calçado de Portugal)

CTIC – Leather Industry Technological Centre (Centro Tecnológico das Indústrias do Couro)

EU – European Union

FCT-UNL – Science Faculty from Nova University in Lisbon (Faculdade de Ciências da Universidade Nova de Lisboa)

GAPI – Office for the Support and Promotion of Industrial Property (Gabinete de Apoio à Promoção da Propriedade Industrial)

GHG – Greenhouse gas

IAPMEI – Agency for Competitiveness and Innovation (Agência para a Competitividade e Inovação)

INETI – National Institute of Engineering, Technology and Innovation (Instituto Nacional de Engenharia, Tecnologia e Inovação), nowadays called LNEG – National Laboratory of Energy and Geology (Laboratório Nacional de Energia e Geologia)

ISO – International Organization for Standardization

LOHAS – Lifestyles of Health and Sustainability

MIT – Massachusetts Institute of Technology

NGO – Non-governmental organization

OECD – Organisation for Economic Co-operation and Development

REACH – Registration, Evaluation, Authorisation and Restriction of Chemicals at European level

SD – Sustainable Development

SIRAPA – Integrated System of Registration of the Portuguese Environmental Agency (Sistema Integrado de Registo da Agência Portuguesa do Ambiente)

SME – Small and Medium-sized Enterprises

STP – Segmentation, Targeting and Positioning

TBL – Triple Bottom Line

VALS – Values and LifeStyles

Chapter 1. Introduction

Many authors have been studying environmental issues since the 1970's, when the world started to become more industrialized. From that time, environmental destruction never stopped. This led to a growing concern among the world population for the protection of the environment, especially in recent years and it has also attracted the attention of companies seeking to profit from environmentally-sound marketing practices.

Several factors have contributed to the emergence and growth of this concern: global warming, climate change, deforestation, overpopulation and perhaps the most important one, pollution. According to a report by the Organization for Economic Cooperation and Development (OECD), the World Bank and the United States, prepared for the G20 Summits (Los Cabos, Mexico, 2012), it has been projected that there will be about 50% increase in greenhouse gas (GHG) emissions and a significant worsening of urban air pollution by 2050 (OECD, 2012).

As we all know, both economy and society are constrained by environmental limits, which can be translated in a greater concern about the environment by consumers and companies that seem to be increasingly aware of this scenario. A survey of corporate communication professionals conducted by the American Marketing Association (AMA) and Fleishman-Hillard showed that “43% of consumers expect their companies to increase marketing of sustainability programs and efforts” (Frank, 2009: 4). Nevertheless, the challenge of ecological pressures is added not only to the business, but also to the academic agenda. To prove that, several studies based on the strategic management literature have been launched to determine the predictors of corporate environmental response (Aragon-Correa, 1998; Bowen, 2002; Sharma, 1997).

In the business context, today's main challenge before marketers is to think creatively about how marketing can fulfil the needs and expectations of consumers for a better standard of living in the middle of sustainable development, not forgetting the interests of society in general. Green marketing can help in this task and can become a means for sustainable development as it incorporates people, profit and the planet all together. In fact, the end product of green marketing is this: environmental protection (eco-friendly) for the present and the future generations (Choudhary and Gokarn, 2013).

1.1 Marketing Research Problem Statement

As we have seen before, the growing concern among consumers towards environment has forced business organizations to make changes in their marketing strategies. In this context, one of the tools used by companies is the green marketing, to promote products and services that reduce the negative environmental impact.

On the companies' side, by taking on a "greener" position, brands gain a differentiating factor over the competitors. However, it is necessary to combine profit making with product quality and manufacturing methods, always trying to reduce the negative impact on the environment. In this way, it seems essential to study the impact of green marketing and sustainability strategies on companies' activity.

The existing literature, as we will see later on, will give us a detailed understanding of how companies use green marketing and sustainability strategies. Nevertheless, a gap in the literature was founded, regarding the importance of being environmentally friendly for companies in the footwear industry, namely in relation to Portuguese companies. So, Portuguese footwear companies will be the case study and in the next paragraph the reasons for choosing this topic will be explained.

1.2 Relevance of the topic

The footwear industry is therefore extremely relevant as it contributes to and is affected by the environmental degradation and social challenges that society is now facing. An increasing number of footwear produced contributes to water and land scarcity in production countries, an increased use of harmful chemicals and greenhouse gas emissions, among others. As a consequence of that, great risks are posed to the natural resources on which the industry relies.

To counter this scenario, sustainability in the footwear industry is increasingly seen as a subject of the major producers with many brands expressing their concern about protecting people and the environment and adopting an environmental friendly communication approach.

If we look at our country, the footwear industry is one of the most important sectors for the Portuguese economy, as it will be explained later one. As Pessoa e Costa (2014), an old administrator of AICEP, Portuguese agency for investment and foreign

trade, said “Portugal in footwear means quality and excellence and this industry is a very beautiful example for other sectors of the Portuguese economy”.

Despite the well-known importance of the footwear industry, relatively little attention has been paid to environmental issues in this sector in our country. Some companies are starting to use more sustainable techniques and materials in their business, however it is still far away from what would be desired to actually minimize the negative impact on the planet.

1.3 Research purpose

The main goal of this master thesis is to bridge part of the knowledge gap mentioned above. The purpose of this research is to understand what is the importance for companies using green marketing and sustainability strategies. In other words, what advantages are brought to companies when they adopt a stronger eco-friendly position? More specifically, the objective is to analyse some Portuguese shoe companies, understanding their strategies and how they use green marketing to bring benefits to their businesses.

1.4 Research structure

This master dissertation is structured as explained in the following paragraphs and in Figure 1.

The first chapter introduces the topic of the thesis. In addition we can find the problem chosen and its relevance for the study. It is also identified the purpose and the structure of this investigation work.

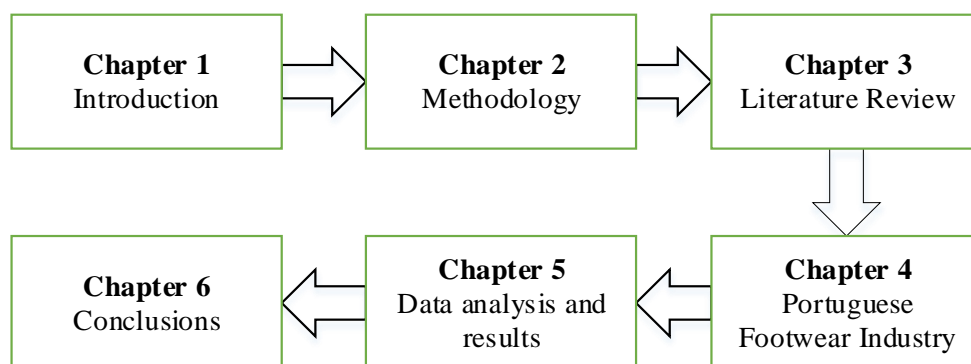
The second chapter consists of the literature review that presents the concepts of sustainability and green marketing and all its specifications in the business context, namely in the industry that will be studied: footwear.

Chapter three covers the research methodology adopted, as well as research questions and research hypothesis that result from research questions. Here it will be described the appropriate process used to analyse the problem proposed. The methods adopted in the collection of the data and the analysis techniques to be used will also be presented (qualitative approach). Finally, we will have the analytical model and the structure of the interviews used for data collection.

The fourth chapter presents the general situation of the economy and the footwear industry in Portugal and also globally. It will also be covered the context of Portuguese footwear companies in terms of environmental concerns and the use of green marketing strategies and projects.

Finally, chapters 5 and 6 will contain the analysis of the data and results obtained as well as respective conclusions, ending with practical implications and research limitations that would be useful for future research.

Figure 1: Research structure



Chapter 2. Literature Review

2.1 Corporate Social Responsibility and Sustainability

2.1.1 Management for sustainability

Through the analysis of the thinking of ecologists and economists, it can be concluded that conventional economic theories never considered the impact of natural capital (Park, 2008), so this could not guide the future. However, in the 70s, a new concept appeared to counter this scenario: the sustainable development.

In 1972, the so-called “The Club of Rome”, constituted by thirty individuals from ten countries (scientists, statisticians, educators, economists, industrialists, humanists and national and international civil servants) asked for a report to be drawn up, known as “The Limits to Growth”, which was developed by MIT (Massachusetts Institute of Technology). This study suggested that there should be a freeze on economic growth as the only solution to prevent an increase in environmental negative impacts, leading to an ecological tragedy. As the discussion on sustainable development started in the context of our society, at the same time, it also moved to the business context. So, despite representing a relatively new issue, since then, the relationship between companies and the environment has been changing.

As a concept, sustainable development is the form of development which aims at sustainable consumption and sustainable economic growth while tries to protect the environment. In other words, this is a type of development that satisfies the needs of the present without compromising future generations to satisfy theirs. This concept is written in the report “Our common future”, published in 1987 by the United Nations World Commission on Environment and Development.

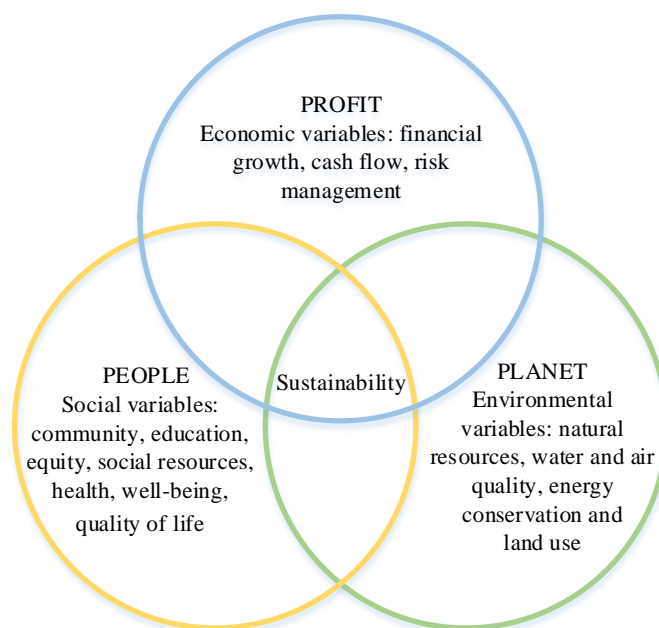
In a corporate level, this sustainable development can be translated in Corporate Social Responsibility (CSR). According to the International Standard ISO 26000 (2010), CSR refers to “the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour, so it contributes to sustainable development, including health and well-being of society. It takes into account the expectations of all stakeholders, is in accordance with applicable law and international norms of behaviour and is integrated throughout the organization and applied in its relations”. According to Savitz and Weber (2006: 2),

a “sustainable company is the one that generates profit for its shareholders, while protecting the environment and improving the lives of people with whom it interacts.”

To achieve the sustainable development, companies should adopt a type of management that ensures the sustainability. The management for sustainability implies the incorporation of aspects relating to the sustainable development in the strategy, operations and other business processes of organizations (Gomes et al., 2015)

Lacy et al. (2010: 10) states “sustainable business practices and products are opening up new markets and sources of demand; driving new business models and sources of innovation; changing industry cost structures; and beginning to permeate business from corporate strategy to all elements of operations”. Sustainable business models incorporate the three dimensions of sustainability (environmental, economic and socio-political), commonly referred to as “the triple bottom line” (TBL) approach (Elkington, 1994) and consider a wide range of interests of stakeholders, including the environment and society. According to the same author, social and economic dimensions would have to be addressed in a more integrated way if real environmental progress was to be made. So, TBL was created to measure the financial, social and environmental performance of the corporation over a period of time and only a company that acts in that way is taking account of the full cost involved in doing business. In Figure 2 is an illustration of the TBL.

Figure 2: Sustainability and the Triple Bottom Line



Source: Carter & Dale S. Rogers (2008)

In the environmental sphere (planet), natural resources are used so as not to harm future generations, reducing the environmental impacts from the action of industries. In this section the objective is to know how environmentally responsible a company has been. In the economic perspective (profit), it is necessary to preserve the company's profitability rather than compromising its economic development. And in the socio-political sphere (people), which includes the issue of social justice, it matters to know how socially responsible an organisation has been throughout its operations.

These three elements are important in the conduct and implementation of innovation for sustainability and serve as a key factor in achieving competitive advantage (Bocken et al., 2014). Moreover, the integration of these elements emphasises the sustainability of processes and products, allowing a better quality of life to people from their environment (Daroit and Nascimento, 2004). The ultimate goal is, therefore, the development of a fairer world through relationships with all stakeholders – clients, investors, suppliers, NGO's and public relations (Elkington, 1997).

At the same time, society and stakeholders have been increasingly valuing companies that adopt an engaged position with the principles of sustainable development and requiring transparency about the corporate behaviour. Barbieri et al. (2010) even state that companies have joined the sustainable development movement initially due to external pressures, in response to the criticisms and objections from governmental entities and the organised civil society that blamed companies for the processes of social and environmental degradation that affected the planet. Recently, it represents a factor of business competitiveness and maybe a source of differentiation or qualification to remain on the market (Barbieri et al., 2010).

In fact, “the challenge of a management that integrates the triple bottom line approach in a consolidated and strategic manner is increasingly more common in the business environment and highlights the organization's concern about the future, representing a long-term investment” (Gomes et al., 2014: 116). To ensure that sustainable development over the long-term, marketers need to confront and implement solutions to rising environmental, economic and socio-political challenges, without compromising the profitability of the business.

2.1.2. Green corporate image

When we talk about the marketers' role on implementing solutions for their businesses, one of the most important issues and objectives is to know the perception of all stakeholders about the company itself and also how it operates in the market, namely in the environmental area.

Despite the importance of the corporate image, as the general impression that a firm can generate in the mind of its stakeholders (Dowling, 1994) and the growing concern among firms about their activities' impact on the natural environment (Bansal, 2005), the concept of green image or green corporate image has received little attention in the academic literature. In fact, the research about how organizations can improve their image or create loyalty through the utilization of green practices was considered as a promising avenue for future research (Cronin et al., 2011).

According to Walters (1978) and Chen (2008), green corporate image involves the perceptions developed from the interaction between the firm and the stakeholders that are linked to environmental features, concerns and commitments.

As the number of consumers and other stakeholders interested in being environmentally friendly increases, companies are using many different approaches to improve their environmental images with these interested parties. Carlson et al. (1993) study defines five different classifications of environmental advertising claims, used by companies to build their green corporate image:

- Product Orientation – focuses on the environmentally friendly attributes of the product (e.g. “This product is biodegradable.”);
- Process Orientation – describes internal technology, production or disposal methods that are environmentally friendly (e.g. “20% of the raw materials used in producing this good are recycled.”);
- Image Orientation – associates the company with an environmental cause or activity (e.g. “We are committed to preserving our forests.”);
- Environmental Fact – involves an independent statement that is apparently factual in nature from an organization about the environment and its condition (e.g. “The world's rain forests are being destroyed at the rate of two acres per second.”);
- Combination – reflects a product/process/image orientation and/or an environmental fact.

The green corporate image management will be more or less relevant, depending on the industry in which the company operates (Frooman, 1999). For firms acting in environmentally sensitive industries, where business activities have important social and negative environmental impact, the creation of a positive green image in the minds of the stakeholders will be an unavoidable necessity. It is in this kind of industries that the congruence between a firm's external communication and external actions is highly appreciated (Russo and Fouts, 1997; Walker and Wan, 2012) and environmental communication plays a major role, constituting one of the best ways to enhance a firm's corporate image (Saha and Darnton, 2005). One example of an environmentally sensitive industry is the footwear one, the focus of this dissertation.

According to Hillestad et al. (2010), it is important for companies to invest in environmental communications if they want to show the public that the green issues are taken seriously by their decision makers. Other advantages coming up from effective environmental communications are the consolidation of collaborative relationships with stakeholders and the creation of a positive green corporate image (Nair and Menon, 2008), as well as reducing stock market risk (Bansal and Roth, 2000) and scrutiny from non-profit organizations and governments (Delmas, 2001).

2.2 Green marketing

2.2.1. Green marketing concept

Talking about firms' environmental communications leads us to the green marketing, a tool used by companies to communicate not only their concern about the environment, but also their medium and long term objective, that is to achieve and ensure the sustainable development.

There is no unique definition for the term "green marketing", sometimes also referred as ecological, environmental or sustainable marketing. In 1975, American Marketing Association conducted a workshop about the topic of environmental marketing and defined green marketing as the study of positive and negative aspects of marketing activities on pollution and energy and non-energy resources depletion. Today we can see in AMA institutional website that green marketing is defined in three different ways: first, green marketing is the marketing of products that are presumed to be environmentally safe (Retailing Definition); second, it is the development and

marketing of products designed to minimize negative effects on the physical environment or to improve its quality (Social Marketing Definition); and third, refers to the efforts by organizations to produce, promote, package, and reclaim products in a manner that it is sensitive or responsive to ecological concerns (Environmental Definition). Other authors give other definitions for green marketing. According to Pride and Ferrell (1993: 67), it describes “the specific development, pricing, promotion, and distribution of products that do not harm the natural environment” by organizations. Polonsky (1994) states green or environmental marketing as a set of activities designed to generate and facilitate any exchanges intended to satisfy human needs or desires in a way that this causes minimal negative impact on the natural environment. He highlights three key determinants of this definition: (1) green marketing is a part of the overall marketing activities, (2) both positive and negative activities are taken into account, (3) the relatively narrow range of environmental issues is taken into account. Peattie and Charter (1997: 389) define it as “the holistic management process responsible for identifying, anticipating, and satisfying the requirements of customers and society in a profitable and sustainable way”.

Green marketing can be viewed both as a type of marketing and/or a marketing philosophy: as a type of marketing it is like industrial or service marketing, and is concerned with marketing of green products and positioning them as green brands. (Choudhary and Gokarn, 2013); as a philosophy, this corresponds to the societal marketing, which means that satisfying customers is not enough and at the same time marketers should take into account ecological interests of the society as a whole (Kotler et al., 2009).

2.2.2 The evolution of green marketing

The idea of green marketing has emerged in conditions of growing environmental awareness across all levels of society, the rise of the segment of green consumers and the increased competition between companies. In terms of time, it emerged between 1970s and the late 1980s (Kapelianis and Strachan, 1996; Peattie and Crane, 2005).

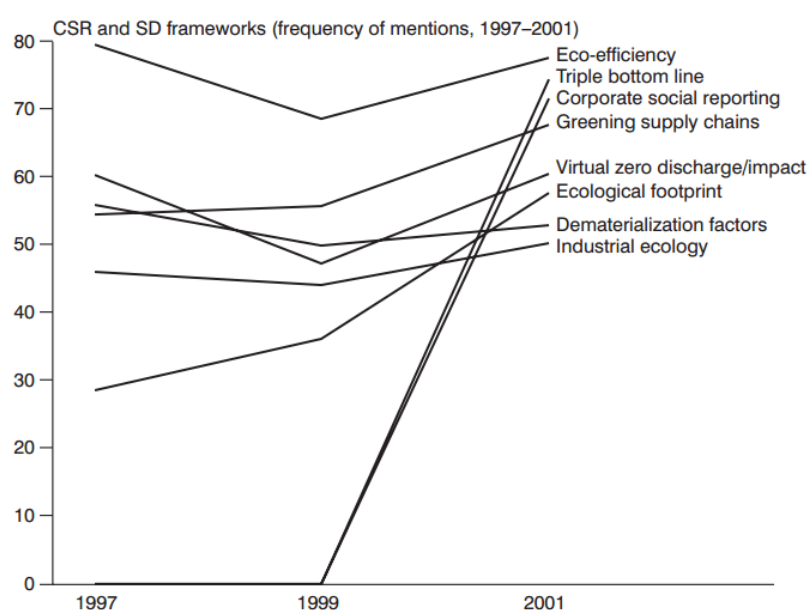
After the euphoria of green marketing in the beginning of the 1990s, companies have determined, and research has confirmed, that sometimes, customer concerns for the environment and for green products are not directly reflected in their purchasing

behaviour (Shrum et al., 1995). As a consequence, academic research and practical use of green marketing has gradually subsided (Peattie and Crane, 2005) and marketers started to experience a backlash (Wong et al., 1996). “After that, at the end of the 1990s, early 2000s, technological progress, stricter regulations and growing ecological problems led to a slow comeback of green marketing” (Ottmann et al., 2006, Ottman 2007 and Stafford 2003, as cited in Lee 2008, 5).

According to Peattie (2001), there were initially three long phases in the evolution of the green marketing. The first phase was known as the ecological phase, where all the marketing activities were carried out in order to resist the ever increasing environmental problems and offer solutions for these problems. The second was called the environmental one where the focus was the implementation of cleaner technologies. This phase also led to the discovery or the invention of products that would improve the environment or at least not increase the already existing problems. The last one is the sustainable phase of green marketing which is still prevailing. This phase appeared in the late 90’s, early 2000s and has incorporated a broad range of activities, including changes on products, production processes, packaging and advertising.

To illustrate this evolution, the results of a survey of international experts in CSR and Sustainable Development (SD) can be seen in Figure 3. The figure spotlights the growth trend of using ecological terms over the two years from 1999 to 2001.

Figure 3: Trends in green marketing



Source: Henriques and Richardson (2004)

2.2.3. Green marketing as a strategy

When companies started to use the green marketing, their main goal was to try to resolve the conflict between the various competing goals and the simultaneous pursuit of economic prosperity, environmental quality and social equity, the three dimensions of sustainability. Shearer (1990) indicated that some organizations perceive the use of green marketing strategy as an opportunity to achieve their objectives. Other driving forces include a company's moral obligation (McIntosh, 1990), pressure from governmental bodies and competitors (Delmas and Toffel, 2008), potential to improve revenues (Bansal and Roth, 2000; Kuo and Dick, 2010), cost saving (Kuo and Dick, 2010) and building a positive image (Saha and Darnton, 2005), as mentioned before.

For Menon and Menon (1997), green marketing strategy encompasses two essential characteristics: firms would have to develop a product that would satisfy consumers' needs satisfactorily with minimum negative impact on environment and coupled with this, the creation of a perception in the minds of the customers so as to emphasise the quality of the product and the firm's commitment towards the environment. Following the same reasoning, according to Ottman (1998), green marketing is far more complex than the conventional one and serves two purposes:

1. To develop products that take into account the requirements of consumers for quality, practicality, performance, affordable prices and at the same time, ecological acceptability in terms of minimum environmental impact;
2. To create an image of high quality and environment friendliness regarding properties and achievements of the product and the manufacturer itself, in the field of environmental protection.

Green marketing implies cooperation between all the stakeholders, such as suppliers, sellers, partners, as well as rivals, in order to achieve environmentally sustainable development throughout the entire value chain. At the same time, internally, all business functions and its employees should cooperate with each other to find the best possible solutions for the major guiding principles: profit, for one side and for the other side, long-term and positive contributions to the environment, which includes the society and the natural surrounding (Meler and Ham, 2012). "Green marketing starts with the customer, his needs and wants, it has a long-run perspective, it is innovative and it involves full use of all the company's resources" (Peattie and Crane 2005, 365). Companies can implement it independently or join a voluntary ecological program,

which requires application of certain norms, usually leading to internationally recognized certification (Darnall, 2008).

To implement green marketing, it is necessary to meet certain preconditions, according to Langerak et al. (1998). External considerations refer to the sensitivity of consumers to environmental issues, the level of legislation and the intensity of competition. Internal considerations include the conscientiousness and sensitivity of marketers and companies in respect to the environment and environmental movements.

After implementing it, and if it is used in the right way by companies, green marketing can raise productivity, allows access to new markets and acquires a competitive advantage (Manaktola and Jauhari, 2007). Polonsky and Rosenberger (2001) mention other positive effects resulting from the correct application of green marketing:

1. Cutting back costs – Greening production processes often results in a more effective use of resources, therefore changing the company's cost patterns: reduction in costs in terms of less waste, less use of raw materials and saving of energy costs. A significant reduction in costs would raise the profits of a business (Sharma and Vredenburg, 1998; Christmann, 2000; Polonsky and Rosenberger, 2001) and its competitive position (Polonsky and Rosenberger, 2001).
2. Differentiation relative to rivals – Engaging in green marketing allows a company to differentiate itself from the competitors, by offering new products on new markets and/or creating value added for existing products/markets. This may improve a business value proposition to the customer and help it to gain access to new customer segments, as well as enhance customer loyalty and increase profitability.
3. Revitalisation of a business – By applying the guidelines and rules of green marketing, a company has an opportunity to revitalise itself, in terms of products/services, corporate strategy, culture, mission, vision, and so on.

Additionally, “companies that clearly communicate their sustainable practices position themselves as leaders in innovation, namely, technological innovation” (Connolly, 2009: 16). This is especially useful in mature markets, where there is a strong competition and differentiation is difficult (Manaktola and Jauhari, 2007).

In order to be easier to apply green marketing and to realise its objectives, many companies are entering into strategic partnerships with other businesses. Business firms with lack expertise or the ones that do not have the requisite positive image to start off with a green marketing strategy choose to form alliances with business partners that

have a proven track record of being environmentally conscious throughout (Arseculeratne and Yazdanifard, 2014). Such strategic partnerships would bring advantages for all the intervening parties at the same time, since there is a flow or exchange of knowledge and pooling of resources together (Zintom and Frederick, 2001).

2.2.4. Application of green marketing strategies in companies

In practical terms, different authors suggest several models that marketers and managers should follow, to apply concrete and visible green marketing strategies in their companies.

Normally used for general marketing activities, Kotler and Keller (2012) strategic approach – Segmentation, Targeting and Positioning (STP) – can be applied also to green marketing. “Marketers should start by dividing the market into segments. They identify and profile distinct groups of buyers who might prefer or require varying product and service mixes by examining demographic, psychographic, and behavioural differences among buyers” (Kotler and Keller, 2012: 10). A company in the first place must segment the market and identify distinct groups of buyers who differ in their needs and wants (market segmentation) and then select the customer group or the business activity to which they want to enter (market targeting) (Kotler and Keller, 2012). Once the target segment is chosen, next step will be to establish and communicate distinctive benefits of the company’s market offering (market positioning) (Kotler and Keller, 2012). In order to get this, some companies prefer to promote their products through pro-environmental media to reach out to environmentally conscious groups of customers (Staib, 2009). The design of a product seems to be responsible for various environmental threats, so many of these customers are concerned with that part of the product. It is therefore imperative that companies make necessary alterations in the product design to be in harmony with environment. This may require not only investing in new product development, but also seeking ways of introducing new designs in products. Once this step is completed, the product can be positioned appropriately (Singh, 2004).

Mathur and Mathur (2000) created an analytic framework by using four categories of green marketing, to analyse the wealth effects of its strategies: (1) green products, (2) recycling, (3) green promotions, and (4) appointment of environmental

policy managers. The development of energy-efficient operations and better pollution controls are other examples of green marketing strategies.

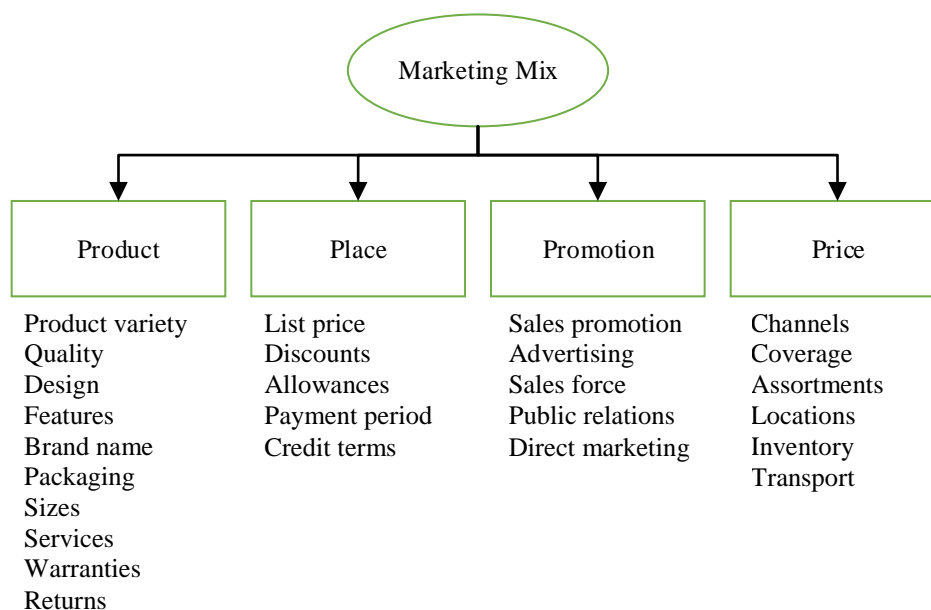
Ginsberg and Bloom (2004) used the primary marketing-mix tools of product, price, place, and promotion (4Ps) to divide green marketing into four main strategies: (1) lean green strategy, (2) defensive green strategy, (3) shaded green strategy, and (4) extreme green strategy. According to these authors, the green strategy adopted by a company may affect customers' perceptions of the motive behind its green marketing. For example, companies adopting the lean green strategy normally do not promote the green initiatives actively, since its main objective is to reduce costs through different environmental programs. On the other hand, companies employing the extreme green strategy, that fully incorporates environmental issues and responsibility into their business strategies, may reduce the chance of being accused of "green washing", a concept that will be explained later.

Now, it will be explained how companies should apply their green marketing strategies, through the marketing mix.

2.2.4.1 Marketing Mix in Green Marketing

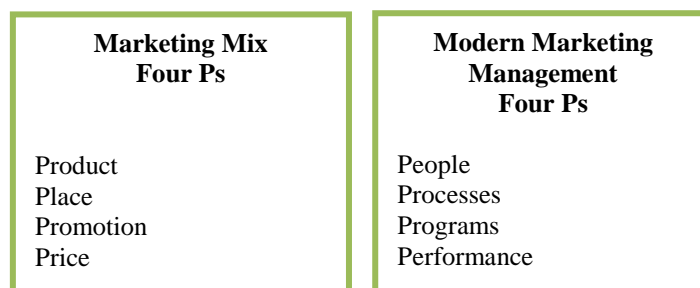
Marketing Mix is one of Kotler's biggest contributions to the field of marketing, an idea first proposed by an academic, Jerome McCarthy, in 1960. In an interview realized with Kotler in 2013, he defined "Marketing Mix as the set of controllable variables that the firm can use to influence the buyer's response". In Figures 4 and 5 we can see the two Marketing Mix approaches, the 4 P's and 8 P's.

Figure 4: The Four P components of the Marketing Mix



Source: Kotler & Keller (2012)

Figure 5: The evolution of marketing management



Source: Kotler & Keller (2012)

So as Marketing Mix is used in current marketing activities of each company to bring a good or a service to the market, also when a company adopt the green marketing strategies, the green marketing mix should be defined accordingly. That sustainable marketing should focus on the whole marketing mix, with the same objective, plus to be responsive towards environmental concerns.

According to Peattie (1999), as cited in Polonsky and Rosenberger (2001), a green marketing strategy has to address some fundamental areas of importance in order to gain competitive advantage. Areas such as market segmentation, developing a green product, green positioning, setting green prices, application of green logistics, proper

waste management and forging green partnerships. In short, having the right green marketing mix should be the focus.

Green product:

Green and ecologically safe products are typically durable, non-toxic, made from recycled materials or minimally packaged (Ottman, 1998). Green based product strategies involve either one or a combination of recycling, reduction of packaging materials that are at the same time suitable and reduce the environmental damage (recyclable and biodegradable), re-consumption and dematerializing the products; using sustainable source of raw materials, making more durable products; designing products that are durable and can be easily remanufactured, reusable and repairable, making products and packaging's that are safe for disposal, compostable, and that are safer or more pleasant to use (Bhat, 1993; Polonsky et al, 1997 and Ottman, 1998). Afonso (2010) adds other characteristics that green products should have: promote the conservation of natural resources (water, soil, air) and the protection of natural habitats and endangered species; be made using renewable resources and under sustainable using of resources; energy efficiency in its production and distribution; minimize waste and the use and release of toxic products; prevent pollution and finally ensure consumer health and environmental security. Sara and Madhumita (2014: 135) add: "The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, and so on."

Paiva and Proença (2011) refer that some other questions and aspects should be analysed by companies before launching a successful green product (Figure 6).

Figure 6: Green marketing mix – Green Product

Design of the product	<ul style="list-style-type: none"> •Functions •Attributes
Production	<ul style="list-style-type: none"> •Technology •Raw material
Lyfe cycle of the product	<ul style="list-style-type: none"> •From design to marketing •From consumption to waste management
Labels and trademarks	<ul style="list-style-type: none"> •Ecological certification •Emotional positioning of waste
Packaging	<ul style="list-style-type: none"> •Design and material •Reuse and waste

Source: Paiva & Proença (2011)

Green Price:

When we talk about price (monetary value paid by the customer) in green marketing mix, it seems that many consumers assume green products often with higher prices than conventional products (Peattie, 1999; Polonsky, 2001). In fact, green pricing is normally higher since takes into consideration the people, planet and profit in a way the health of employees and communities and the efficient productivity are ensured. This higher price often reflects environmental concerns in monetary terms that are intrinsic and transferable to the customer. Developing green products would also involve a lot of money in terms of research and development, more expensive materials, wastage management, recycling and incorporating other external costs. Hereupon, some green products may have higher prices indeed. Nevertheless some products would carry low process due to the lowering of packaging cost (Keegan and Green, 2000). To justify the different price, value can be added to the products/services by changing its appearance, functionality and through customization, for example.

Also for the green price, Paiva and Proença (2011) consider that companies should remind some factors (Figure 7).

Figure 7 : Green marketing mix – Green Price

Price analysis	<ul style="list-style-type: none"> • Costs • Value perception • Competitiveness
Price strategies	<ul style="list-style-type: none"> • Differentiation • Equivalent to the competitors
Differentiation	<ul style="list-style-type: none"> • Premium price because it is green • Association to complementary products or services
Equivalent to the competitors	<ul style="list-style-type: none"> • Undifferentiated • Promotions

Source: Paiva & Proença (2011)

Green Place:

Place is where the product can be purchased and includes how the product is distributed to the purchase location. Green place is about managing logistics to cut down on transportation gas emissions, thus reducing the carbon footprint and the negative impact in the environment (Sara and Madhumita, 2014). For example, instead of marketing imported products, more importance should be imputed to the local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport. Another alternative could be identifying more environmentally friendly ways to deliver products to market to meet the demands of their targeted green and general customers (Kangun et al., 1991; Porter, 1991; Bohlen et al., 1993). In terms of locations, companies can also search for shops that only sell green products, products that should respect the principle of sustainability of the planet and respect for animals and put their eco-friendly products there. Many times, the entire environment of these places is carefully constructed with the use of waste materials and natural materials such as wood scraps, rocks, branches, and so on.

According to another authors, Paiva and Proença (2011), it is suggested that a green place policy should be based on the decreasing of emission of gases and consequent pollution as well as differentiation in the distribution of materials relatively to competition (Figure 8).

Figure 8: Green Marketing Mix – Green Place

Minimization of waste	<ul style="list-style-type: none"> •Transport •Distribution •Storage
Differentiation	<ul style="list-style-type: none"> •Collection •Waste
Green value	<ul style="list-style-type: none"> •Differentiation •Business opportunities •Communication

Source: Paiva & Proença (2011)

Green Promotion:

Promotion includes all activities that involve communicating with the customer about the product and its benefits and features. When we talk about green promotion, often there is a lack of environmental information among consumers (Scholossenber, 1994 as cited in Polonsky et al, 1997). Creating green advertisements can be a way to reduce the gap on environmental information through promotion, but Ottman (1998) has suggested another green promotion strategies: educate consumers on the environmental problems that a green product solves; empower consumers with solutions by demonstrating to them how environmentally friendly products and services can help consumers protect health and preserve the environment for future generations; and last, but not least, provide performance reassurance of green-based products, as many consumers perceive them to be inferior to conventional ones. Eco-labels or green certification are also excellent communication tools that can be used by companies, since they clearly standardize and communicate to consumers the environmental impacts of a product or service, also giving certainty and stability to the market (Friend, 2009). In Figure 9, we can see some examples of eco-labels.

Figure 9: Eco-labels



Source: Ecolabel Index

According to Friend (2009), green communication has a higher effect when the message intensifies the basic value of a product, instead of substituting it.

In general terms, Paiva and Proença (2011) tell us that an effective green promotion depends on the objective and the content of the message and the communication and the media where the message will be published, as we can see in Figure 10.

Figure 10: Green Marketing Mix – Green Promotion

Communication's objective	<ul style="list-style-type: none"> • Education • Information
Message	<ul style="list-style-type: none"> • Objective and credible • Appropriate to the product, the company and the target
Media	<ul style="list-style-type: none"> • Appropriate to the target • Innovatives • Promote credibility

Source: Paiva & Proença (2011)

2.2.5. Green brands

With the idea of green marketing, used as a management and marketing strategy, it appears the concept of green brand. “A green brand identity is defined by a specific set of brand attributes and benefits related to the reduced environmental impact of the brand and its perception as being environmentally sound.” (Hartmann et al., 2005: 10). According to the same previously authors, green brands address customers who perceive ecological problems as important and provide benefits to them. According to green brands website, green brand can be defined as a brand that behaves environmentally friendly, which means that takes action towards the conservation of natural resources and commit itself, whole-heartedly, to the preservation and balance of nature.

The use of alternative technologies and/or ecologically conscious business practices usually characterize successful green brands (Grant, 2008). According to green brands website, some ecological and sustainable business practices are: saving energy; reducing or avoiding CO₂ and other polluting substances emissions; reducing and avoiding waste; protecting and conserving natural resources and natural habitats; using alternative energy sources; training employees regarding environmental protection and sustainability; producing food and pharmaceutical products in accordance with strict biological/ecological criteria; informing consumers on measures regarding how the emission of greenhouse gases can be reduced with the help of their respective products and publishing information proving the environmental commitment of the company as part of their corporate mission.

According to Connolly (2009), customers do not expect green brands to be perfect, but authentic. “This type of brands should aim to communicate one key benefit to consumers: purchasing green brands is in the environment’s best interest” (Hays and Ozretić-Došen, 2014: 87) as it contributes “to the improvement of the “common good” environment” (Hartmann et al., 2005: 11). The interconnection between consumers and this type of brands can be even more intensive if some personal benefits are added, such as health advantages, saving opportunities (e.g. lower heating bills at home) or returns on investment in environmental technologies (Hartmann and Ibañez, 2006).

2.2.6. Greenwashing and green marketing myopia

Another important issue we should not forget when we talk about implementing green marketing strategies in companies is that there are many challenges associated with it. Challenges like how to avoid green marketing myopia and greenwashing, so as not to compromise the positive image that the company wants to communicate.

When we talk about the two objectives that green marketing should satisfy, improved environmental quality and customer satisfaction, Ottman et al. (2006: 24) refers that “misjudging either or overemphasizing the former at the expense of the latter can be termed green marketing myopia”. In the same text they also state that “to avoid green marketing myopia, marketers must fulfil consumer needs and interests beyond what is good for the environment”. And this is why many green products have failed, because of marketers “myopic focus on their products greenness” over the broader expectation of consumers or other market players (Ottman et al., 2006).

Ottman et al. (2006) went further in their research and have recommended three key principles to avoid green marketing myopia:

1. **Consumer Value Positioning:** marketers should design environmental products to perform as well as (or better than) alternatives, in terms of efficiency and cost effectiveness, health and safety, performance, symbolism and status, and convenience. They also should promote and deliver the consumer-desired value of environmental products, such as money savings and target relevant consumer market segments, like cost-conscious consumers.
2. **Calibration of Customer Knowledge:** marketers should educate consumers with marketing messages and slogans that connect environmental product attributes with desired consumer value (e.g. “energy-efficient saves money”). Environmental product attributes should be seen as “solutions” for consumer needs (e.g. “rechargeable batteries offer longer performance”). There should be also created engaging and educational Internet websites, search engines, blogs, product ratings sites, podcasts and other digital platforms with content about environmental products’ desired consumer value.
3. **Credibility of Product Claims:** marketers should employ environmental product and consumer benefit claims that are specific, meaningful, unpretentious and qualified. They should also procure product endorsements or eco-certifications from expert third parties (for example, independent laboratories, government agencies, private consultants or

non-profit advocacy organizations) and educate consumers about the meaning behind those endorsements and eco-certifications.

The other challenge associated with the communication of green marketing practices is related with the concept of greenwashing, which has become a common term to describe the “act of misleading consumers regarding the environmental practices of a company or the environmental beliefs of a product or service” (TerraChoice Group Inc., 2009: 1). A company uses greenwashing with the objective of manipulating the information and at the same time, to present themselves and their products as environmentally friendly. But looking more in detail, only some components of their operations are accordingly to the green concept (Jackson, 2010).

The primary objective of greenwashing is to convince consumers that the organization is taking the necessary steps to responsibly manage its ecological footprint, when this is not totally true, because in some cases, green acts are played just to increase profits (Choudhary and Gokarn, 2013) and not to reduce the negative impact on the environment, as it is firstly supposed.

For fear of being accused of greenwashing, many companies are afraid to communicate and promote intensively their environmental practices (Hopkins, 2009; Peattie and Crane, 2005) and the same happens with marketing myopia. In fact, some environmental and consumer groups criticize the use of misleading green claims to create eco-friendly images in the minds of the public. So, Montague and Mukherjee (2010) states that “marketers who choose to adopt a green strategy must be willing to subject their business to further scrutiny from sceptical consumers and the media”. Moreover, not only the corporate image can be affected, but also correlations have been found between negative press that uncovers an exaggerated environmental claim and a decrease in sales (Osterhus, 1997; Polonsky, 1995).

This is why these two sensitive issues should be tackled tactfully, so that green marketing can get its real meaning and can achieve its real objectives.

2.2.7. Green consumers

After getting to know the whole evolution of the concept of green marketing and how and why it is applied in the business context, it seems equally important to understand the role and perception of consumers relatively to this issue.

Like it has been stated before, it was in the 70s that became determinant to understand the general public's specific attitude towards the environment (Dunlap et al., 2000), when they started to be concerned about environmental issues. At the same time, some consumers started to be interested in green products and services, and they become generally referred to as "green consumers". Besides the environment, these people started to be worried about health and fitness, personal development, sustainable living and social justice. This segment was firstly identified by the sociologist Paul H. Ray (2000) in his book "The cultural creatives: how 50 million people are changing the world", written with Sherry Ruth Anderson, based on the first psychographic studies, such the VALS (Values and LifeStyles), a survey from Stanford Research Institute. Paul H. Ray has surveyed people about their values and lifestyles for more than a dozen years and has identified an emerging subculture that he calls the cultural creatives, people that are socially conscious, involved in improving communities and willing to translate values into action. This group is also known as LOHAS consumers (Lifestyles of Health and Sustainability).

In consumer marketing, since the appearance of this concept, has emerged the need to profile green consumers (Pedersen and Neergaard, 2006) by trying to segment them based on different levels of concern for the environment and demographic characteristics (Shrum et al., 1995). However, conclusions drawn from the research about the influence of consumer demographics on green behaviour have been mixed (Laroche et al., 2001; Peattie, 2001). Some studies have found that psychological variables are more important than demographics when examining consumers' eco-friendly behaviour (Banerjee and McKeage, 1994; Brooker, 1976; Webster, 1975). Differently, Laroche, et al. (2001) concluded that it is possible to draw a profile of a green consumer: they are typically female, premiddle age, with a high level of education (finished high school), and above-average socioeconomic status. Webster (1975) added: the green consumer also recognizes that their personal habits and purchasing decisions have the power to affect environmental change. Green customers are also known to be sceptical and normally they are looking for reliable information and facts (Grant, 2008).

But how companies attract this type of consumers? Mainly, they should use the correct green marketing and sustainable strategies. Research from 2007 (Manaktola and Jauhari) suggests that introducing the ISO standard (ISO 9000 – Quality Management System and ISO 14000 – Environmental Management System), along with motivating employees, has a positive impact on attracting and satisfying green customers. This kind

of customers are searching for tangible and visible elements that prove the company's actual ecological orientation, such as, for example, communication materials, internationally recognized certificates and also solar panels, recycled paper, and water saving faucets in toilets, for example (Hays and Ozretić-Došen, 2014).

When we talk about green consumers and even the general ones, it is also important to know if they are ready to pay more for these products/services. This is important due to the fact that eco-friendly products or services, as we have seen before, can have a higher price, if compared with the traditional ones.

According to D'Souza et al. (2006), although ecological problems worry them, most consumers are not willing to carry out the extra cost and they are not ready to change their lifestyles. In fact, consumers will almost never sacrifice their personal needs or desires in order to be green (Majumdar and Zhang, 2009; Ginsberg and Bloom, 2004). So, the chances that consumers would pay a premium price for green brands are lower than one would expect (Rex and Baumann, 2007). At the same time, general consumers seems to be averse to ecologically responsible decisions, once they are not ready to sacrifice comfort, accept lower quality or, again, pay a higher price for services with a green touch (Manaktola and Jauhari, 2007). Also a study with Portuguese consumers has shown that, while even though they "understand the challenges currently placed before the environment, and that they are aware of the existence of environmental problems, even though their concerns are not always translated into environmentally friendly behaviour" (Paço and Raposo, 2009: 364).

Nevertheless, there are divergent conclusions. Scholars have noted that some customers are in fact willing to pay more for environmentally friendly products considering their positive impact in the nature (Laroche et al., 2001). Moreover, a 2008 Boston Consulting Group survey showed that 82% of U.S.A. consumers were willing to pay a premium for green products that also provide added benefits such as being healthier, higher quality or greater efficiency (Hendershot, 2009). Also in the study mentioned before, developed with Portuguese consumers, we can read that there is a segment of greener consumers that have shown more favourable reactions to green marketing strategies and which ones are prepared to base their buying decisions on purchasing products that do not harm the environment (Paço and Raposo, 2009).

In fact, some consumers have no reservations of paying taxes to decrease pollution, but they also believe that corporations should assume environmental responsibility (Cleveland et al., 2005; D'Souza et al, 2006). This is contrary to early

research conducted globally, that had identified companies were not environmentally responsible and consequently consumers would distrust corporate environmental advertising and product labelling (Prendergast and Thompson, 1997; Shrum et al., 1995).

Finally, it is important to keep in mind that if companies want to have success between green consumers, “these segments should be analysed in order to assess their attractiveness, adopt a correct positioning towards them and define suitable marketing programmes” (Paço and Raposo, 2009: 376).

2.2.7.1 Geographical distribution

Other important issue is to know the countries where consumers are most worried about environmental issues and in which way these concerns are translated into purchasing behaviour, relatively to green products or services. Understanding this can help companies, for example, defining their internationalisation strategies.

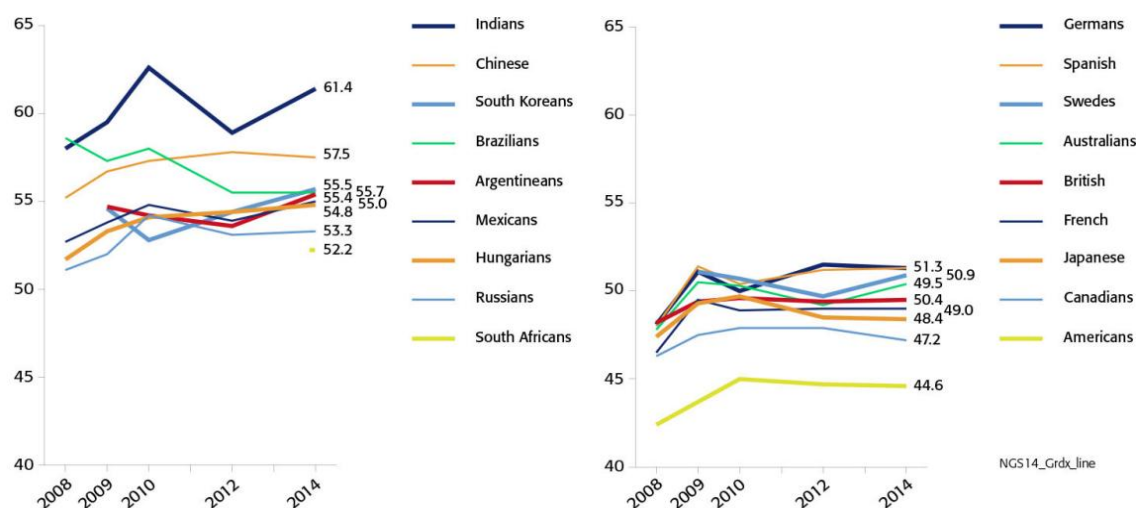
The National Geographic Society and the research consultancy GlobeScan conducted in 2008, 2009, 2010, 2012 and 2014 the Greendex survey, a quantitative consumer study whose objective is to understand the behaviour of consumers in different countries, relatively to environmental issues: energy use and conservation, transportation choices, food sources, the relative use of green products versus conventional ones, attitudes towards the environment and sustainability and knowledge of environmental issues. The most recent study from 2014 (Greendex 2014: Consumer Choice and the Environment – A Worldwide Tracking Survey) has ranked 18000 consumers in a total of 18 countries according to the environmental impact of their consumption in four areas: housing, transportation, food and consumer goods.

2014 Greendex results show that from 2012, environmentally friendly behaviour among consumers has increased in half of the countries and the most notable improvements are found within the food category, where more people start to embrace local and organic foods. According to this report, environmentally friendly consumer behaviour means people’s transportation patterns, household energy and resource use, consumption of food and everyday consumer goods and what consumers are doing to minimize the impact these activities have on the environment (Greendex, 2014).

Results (Figure 11) also show that consumers in emerging economies tend to demonstrate more sustainable consumer behaviour. India and China register the top-

scoring consumers of the 2014 Greendex study. Americans appear at the bottom, with the lowest score. Also another study by Jain and Kaur (2004) had already found that respondents in India had high levels of environmental concern and behaviour despite low levels of environmental awareness.

Figure 11: Overall Rankings Trends: 2008-2014



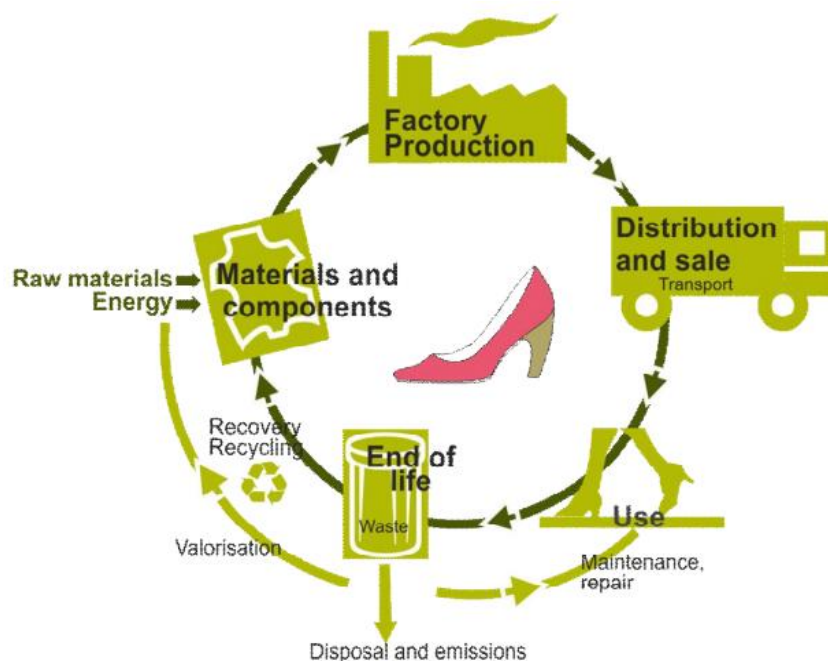
Source: Greendex (2014)

To conclude, the same report shows that consumers are in fact increasingly concerned about the environment, however this is not always translated in substantive behaviour change. “Consumers will need to become more enabled by better access to environmentally friendly choices and more (and better) information and influence to be able to translate their personal values and worries into meaningful action” (Greendex Highlights Report, 2014: 10).

2.2.8 Green marketing and sustainability in the footwear industry

The footwear industry, as many other sectors, has a considerable environmental impact (Gereffi, 2008). Materials production and manufacturing typically account for a very large share of the overall environmental impact associated with the footwear products, as many toxins, chemicals and fossil fuels are produced and leaked into the environment during the first and last steps in the shoe life cycle (Figure 12).

Figure 12: Footwear life cycle



Source: Step2sustainability Deliverable no 13 (2013)

In the stage of manufacturing, one of those with the largest environmental impacts, great amounts of machinery and chemicals are required to produce shoes. To power these machines, a great amount of fossil fuels are needed and when they burn, consequently, large amounts of carbon dioxide and other greenhouse gases are produced. Coal is one of the main fossil fuels used as a source of energy in this industry and burning it produces carbon dioxide that will end up in our atmosphere, contributing the greenhouse effect and to the already serious effects of climate change and global warming. According to some studies in the apparel industry, carbon footprints of running shoes, for example, range between 18 and 41 kg CO₂-equivalent/pair (Cheah et al., 2013). Also in the manufacturing process, chemicals used contribute to the negative impact that shoes have on the environment. Many chemical adhesives and tanning chemicals are used to process different parts of the shoe. Tanning is a process, normally chromium-based, to treat the animal skins and hides to make leather. Chromium and others like chlorinated phenols, tribromophenol, chlorinated paraffins, and dimethyl fumarate are some examples of chemicals used to preserve and treat materials, such as leather, for making shoes. These chemicals, with a high level of toxicity, are easily

thrown away into the environment and water through the discharge from the factories, which mean a huge negative impact in different levels of environment.

Another aspect that contributes to the carbon dioxide emissions from shoes is the transportation. Most footwear manufacturing companies choose to build factories in third world countries for cheap labour and transportation such as ships, airplanes and trucks are needed in order to deliver the goods to the retailers. With this, the emissions of greenhouse gases increase, together with the negative environmental impact.

Together with a scenario like this, the growing scarcity of virgin materials, in addition to European directives on what can be thrown away, and landfill charges, have all made big manufacturers wake up to the need for a more sustainable approach. Nowadays, the challenge for companies that operate in this sector seems to be how to achieve better environmental performance. But it is also important to keep in mind that footwear companies should have knowledge about the new business models, such as Business to Business (B2B), Business to Consumer (B2C) and e-commerce if they want to incorporate effective sustainable marketing strategies (Step2sustainability, 2013)

The encouraging news is that the industry has begun to offer constructive solutions. From the simplicity of traditional recycling to more complex creations that employ sustainable design to re-imagine the simple shoe, many innovative approaches are beginning to present themselves.

One example of this is that companies started to use the available non-toxic materials coming from natural, renewable and/or recycled sources: bio-based, natural, recycled and renewable materials. It is the case of footwear companies that are concerned with this issues and environmental causes and adopt some initiatives, like the use of natural fibers such as organic cotton, flax, hemp silk, cork, wool and cashmere, or even 100% recycled plastic bottle fibers. Among recycled materials, recycled polyester is typically a favoured option, although its use remains relatively small as compared to virgin polyester. The use of both virgin and recycled polyester, however, has been criticized to the presence of toxic elements, and an alternative so called Eco-Intelligent Polyester has been proposed (McDonough and Braungart, 2002). Also the use of water-based adhesives, primers and solvents reduces considerably the toxicity of the product assembling process, and has been hailed as an important advance in recent years, together with the investigation and increased use of natural and/or green rubbers, coming from recycled car tires, for example.

In practical terms, there are some well-known companies that developed projects to reduce their impact on the environment. Recognised as leaders in the field, Nike is one of the first among the shoe companies to market itself as green, as we can prove by this statement “if all we do is create a single line of green products, we will have failed. Sustainability must be a design ethos across all our products.” (Mark Parker, Nike’s Chief Executive Officer and CEO). Some green initiatives involved the development of an open source app to help designers assess their environmental impact. Also they have been running a reuse–a–shoe scheme since the 1990s, grinding old trainers into pellets that are used to surface running tracks. Nike also developed its Air Jordan shoes as environment-friendly because of the reduction of wastage and the use of environment-friendly materials, and apart from that it has significantly reduced the usage of harmful glue adhesives. Gucci sold a collection of shoes made from bio-plastic – a biodegradable material used as an alternative to petrochemical plastic, while Puma in 2013 developed the biodegradable and recyclable shoe, bag and clothing range, *InCycle*, in collaboration with the Cradle to Cradle institute. The Timberland Company is another example, a business entirely dedicated to sustainable issues. As we can read in their responsibility website, “At Timberland, we strive to be Earthkeepers in everything we do. We work hard to make our products responsibly, to protect the outdoors, and to serve the communities around the globe where we live, work and explore.” In terms of green marketing campaigns they build on a rich history of environmental action and innovation that included planting one million trees in China’s Horqin Desert, developing the *Earthkeepers*TM line of environmentally-forward products and launching an online “Earthkeepers movement” to motivate environmental behaviour change and finally maybe its biggest and most environmentally-focused marketing campaign yet – *Nature Needs Heroes*TM. This campaign showcases Timberland’s *Earthkeepers*TM collection made with materials like recycled rubber and recycled PET and has as main objective, to inspire consumers to consider what actions they might take to be “heroes” for the outdoors themselves. According to Jim Davey, Timberland’s VP of Global Marketing, “It’s our biggest and best effort to date to not just share our own stories and initiatives, but to also engage consumers in a broader effort to care for the environment.” The campaign is being executed through a variety of channels, including TV and print advertising, 3D displays in select Timberland retail stores worldwide, social media and an interactive microsite.

As well as companies, also other entities have been creating projects to promote the sustainability in the footwear sector. Generally, this segment of footwear, mainly in EU is constituted by SMEs (small and medium-sized enterprises) without qualified resources in the matter of sustainability – mainly because they do not have the necessary resources for investing in training –, for whom it's important to develop competences and skills in this field. To fill this gap, it was created in November 2013 a project called “Step2Sustainability” financed by the European Commission Lifelong Learning Programme. A consortium composed by the most representative research and training centres, adult learning institutes, associations and companies from the most representative countries of European Footwear industry were the founders. The main objective of the project was to design, develop and piloting a new job qualification/occupation profile and correspondent training on the subject of "How to implement sustainable manufacturing in Footwear?". This project is able to manage with the visible shortage of vocational skills, potentiating the best use of the outcomes in the field of materials, machinery, processes, developed in the frame of many European Research & Development Projects related with sustainable purposes and at the same time improving competitiveness in footwear and leather goods industry. Other objectives were the following: to create awareness for the need of a sustainable manufacturing strategy; to pilot and to exploit results through European, national and local networks and platforms, enterprises, business organisations, guidance organisations, as well as other relevant media, inside and outside Europe and to enlarge the networking between the partners. Another European project developed in this area is the “CO2 Shoe Footwear Carbon Footprint” (applied between 2013 and 2017), whose main objective was to develop a carbon footprint calculation tool for the footwear sector, which allows the measurement of the greenhouse gas (GHG) emissions produced by each pair of shoes. The project involved initially four EU member countries: Spain, Italy, Portugal and Poland, and subsequently extended to the rest of the European area. At the end of the project, in September 2017, the idea was to provide footwear companies with the use of this tool, which would allow them to identify the most needed aspects for lowering their GHG emissions and ensure they become more environmentally friendly.

As we can see, some measures have been adopted by companies and other organizations in this industry of footwear. However, given the scale, complexity and urgency of the challenges we face, this kind of innovations will need to be reproduced

on a mass scale if they are to have a significant impact on footwear's negative impact on the environment. There is much work to do in reducing the use of harmful chemicals in the production process and at the same time increasing the use of materials that are environmental friendly, among others. And while we may not be far away from seeing take-back boxes in more high street shoe shops, we are still 10 to 20 years away from seeing the collected shoes made back into new shoes (Grahame, 2014). The demands on the industry for constant economic growth can be at odds with environmental and social sustainability. So, new approaches that will reconcile the demands of the market and the requirements of the planet and people are increasingly needed, to complement what has been done so far.

Chapter 3. Methodology

With regards to research methodology, there are three possible approaches: qualitative, quantitative or mix. The qualitative research encompasses an unstructured, exploratory research methodology based on small samples that provides insights and understanding of the problem setting (Malhotra, 2010). It includes in-depth interviews, focus groups or others. On the other side, quantitative research is a research methodology that seeks to quantify the data and, typically, applies some form of statistical analysis (Malhotra, 2010). It can be done through survey with questionnaire, experiments or others. In the mix approach both techniques are used to complement each other.

Since this study's purpose is to gain a qualitative and detailed understanding of the problem proposed, a qualitative approach was used.

In order to investigate the research objectives stated above, both secondary and primary data have been collected and analysed. The first stage of the research process was an extensive search of articles, books, reports and professional information concerning the problem and the topic proposed, using the internet, academic databases and physical resources as well. The analysis of secondary information provided the general context for initiating the collection, analysis and the interpretation of primary data. With this information it was possible to draw the research questions and hypothesis that would be answered and tested, helping to address the marketing research problem.

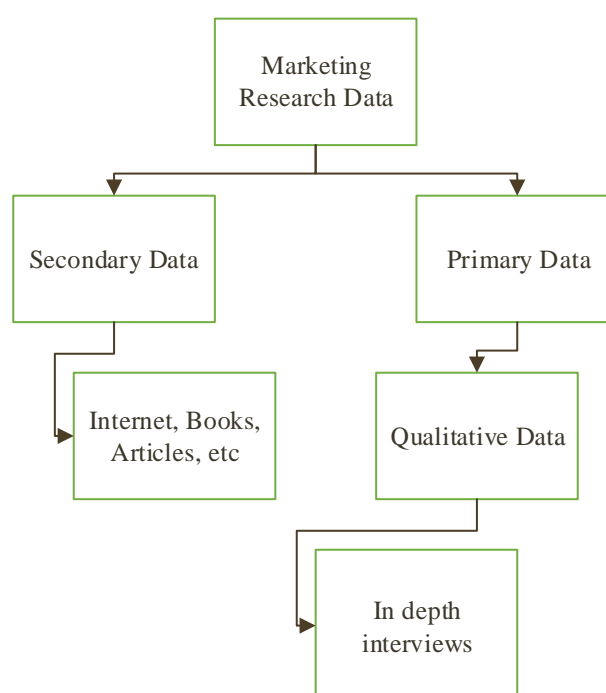
The second stage consists on qualitative research, that according to Malhotra (2010), is unstructured, exploratory, based on small samples, and normally employs qualitative techniques such as focus groups (group interviews), word association (asking respondents to indicate their first responses to stimulus words), pilot surveys, case studies and depth interviews. The technique chosen was depth interviews. These are no more than unstructured or semi-structured, direct, and personal interviews conducted on a one-on-one basis that probes the respondents' thoughts in detail (Malhotra, 2010). All process of collecting the primary data, as well as the description and structure of the interview will be explained more in detail further on.

The data collected was manually processed and analysed from a qualitative point of view, with the intention to explore and understand the green marketing strategies used by the firms selected from the footwear sector. Nevertheless, and like Gurau and

Ranchhod stated (2005: 550) “qualitative methods are particularly useful to study in-depth a small number of organisations, but reduce the possibility of generalisations”. In this thesis, the qualitative approach was applied to investigate the organisational structure and green marketing activities and strategies adopted by each company, without considering the selected firms as a representative sample of a population of study.

Here is a schematic illustration of the research methodology used in this master thesis (Figure 13).

Figure 13: Research methodology



3.1 Research Questions

The marketing research problem should be defined broadly and in general terms, identifying its specific components. The specific components are the key aspects of the problem and provide clear guidelines on how to proceed further on the investigation (Malhotra, 2010).

“Each component of the problem may have to be broken down into several subcomponents or research questions” (Malhotra, 2010: 52), which means that research questions (RQs) “are refined statements of the specific components of the problem” (Malhotra, 2010: 52). This type of questions should ask what specific information is

required in relation to the problem components (Malhotra, 2010). Also, this type of questions should guide the collection and analysis of the data to help to know what information is important.

The formulation of the research questions should be guided not only by the problem definition, but also by the theoretical framework. The problem defined was to know how important the use of green marketing and sustainability strategies is for Portuguese companies in the footwear sector. Using also the information retrieved from the literature review, the following research questions are proposed:

RQ 1: In which way do companies use green marketing strategies as a source of competitiveness, differentiation and profitability?

RQ 2: In which way do green marketing strategies consolidate collaborative relationships between companies and their stakeholders?

RQ 3: How important is the use of green marketing strategies to create a positive green corporate image in the stakeholders' minds?

RQ 4: What is the influence of green marketing strategies in terms of internationalisation and search for new markets?

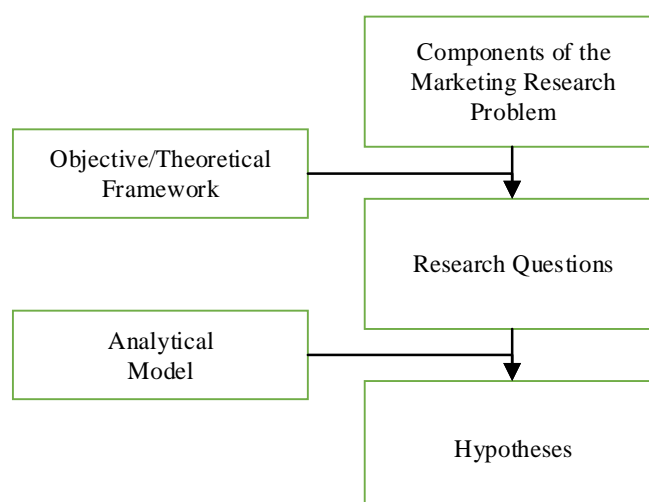
RQ 5: What is the relationship between the use of green marketing strategies and the possible reduction of costs by companies?

The purpose of this research is to answer the research questions and the information obtained should help solving the problem defined.

3.2 Research Hypotheses

According to Malhotra (2010: 53), “a hypothesis is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher”. Normally hypotheses try to establish relationships between two or more variables that are present in the theoretical framework or in the analytical model and basically they are possible answers to the research questions (Figure 14). In addition, hypotheses can be tested empirically.

Figure 14: Development of Research Questions and Hypotheses



Source: Malhotra (2010)

In the case of this particular thesis, the hypotheses to be tested are:

H 1: The use green marketing strategies is a source of competitiveness, differentiation and profitability for companies.

H 2: Green marketing strategies help to consolidate collaborative relationships between companies and their stakeholders.

H 3: There is a positive relationship between the use of green marketing strategies and the creation of a positive green corporate image in the stakeholders' minds.

H 4: The use of green marketing strategies has a positive influence in terms of internationalisation and search for new markets.

H 5: When green marketing strategies are used, there is a reduction of costs by companies.

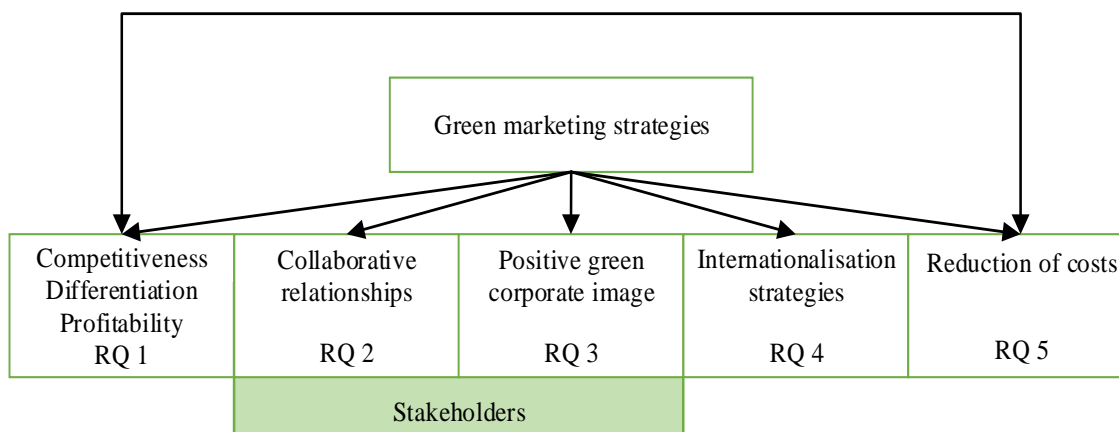
As it has been explained before, a qualitative research will be used to test the hypotheses, which will be then validated or refuted.

3.3 Analytical model

The book “Marketing Research: an applied orientation” written by Malhotra (2010: 51) gives us a definition of analytical model: “it is an explicit specification of set of variables and their interrelationships designed to represent, in whole or in part, some real system or process”.

In this specific investigation, the analysis of the literature review and all the secondary data collected were the basis of the creation of the analytical model (Figure 15), which contains the different variables or components that can be found in the research questions. These specific variables were chosen since these were considered to be the most important and relevant to the companies analysed.

Figure 15: Analytical model



This model pretends to illustrate the variables that translate some of the motivations for companies to use the green marketing strategies and why it is important for them, resulting in advantages for their businesses.

Various authors, Polonsky and Rosenberger (2001), Manaktola and Jauhari (2007) and Barbieri et al. (2010) suggest that companies adopt green marketing strategies as a source of competitiveness and differentiation relatively to the competitors. Also the importance of this kind of strategies may be related with reduction in costs in terms of less waste, less use of raw materials and saving of energy costs, leading to an increase in profitability of the business (Sharma and Vredenburg, 1998; Christmann, 2000; Polonsky and Rosenberger, 2001).

In all business sectors and industries, stakeholders have an undeniable role since they are basically the ones that sustain firms and keep them in the market. And then, for companies acting in environmentally sensitive industries, like footwear, stakeholders' role is even more important, as it was explained before in the literature review. For this reason, the creation of a positive green corporate image in the minds of the stakeholders and maintaining collaborative relationships with them will be essential to bring some advantages for companies (Nair and Menon, 2008). These collaborative relationships

are based on exchanges of information between the company and the stakeholders, after-sales services and follow-up, as well as transparency in their communication.

Perhaps the most important variable to be studied is the influence of the adoption of eco-friendly strategies in the definition of international policies of a company and search for new markets (Lacy et al., 2010; Manaktola and Jauhari, 2007 and Polonsky and Rosenberger, 2001). As it will be explained more in detail later, Portuguese footwear companies are highly and mainly directed to foreign markets. These markets and, specifically, people from some of these countries seem to be more aware of environmental causes and more willing to buy products that contribute to reduce the negative environmental impact. So, the objective is to understand how companies take advantage of this information, using their concerns about the environment.

3.4 Interview structure and description

As previously explained, interviews were the method used to collect the information needed to answer the research problem.

Neale and Boice (2006) propose the following steps regarding the process for conducting in-depth interviews: plan, develop instruments, collect and analyse data and disseminate findings.

First of all, it was necessary to identify Portuguese companies in the footwear industry to be interviewed. The companies selected were those that showed concerns about the environment and sustainability and that implement some type of green marketing strategies. This information was obtained and analysed through their websites, social media, environmental websites, news and through CTCP (Portuguese Footwear Technology Centre) and APICCAPS (Portuguese Component and Leather Goods Manufacturers Association). After that, the first contact was established by e-mail, asking for the interviews. Besides the companies, also CTCP and APICCAPS were contacted because although they are not companies, they have an extremely important role in the footwear sector in Portugal, in many areas, particularly sustainability and protection of the environment.

Here is an example of the text sent to request the interview: “My name is Helena Ribeiro and I am currently doing my Master in Marketing at ISCTE-IUL. At this moment I am developing my master thesis about environmental sustainability and green marketing in Portuguese companies on the footwear sector, and my objective is to

understand what is the importance of green marketing strategies for Portuguese companies in this industry. In the context of my research on this subject, under the guidance of Professor Rui Vinhas da Silva, I come to ask for your cooperation to understand what is the importance of this topic in the activity of your company and how it is used and promoted strategically. The collaboration consists of a personal interview with one of the elements of the company that is more involved with the theme. Leaving the guarantee that I will not take much of your time, this study can also bring added value for your company. I await your feedback and availability. Thank you for your attention.”

In terms of numbers, 23 companies and 2 other entities (CTCP, a Portuguese institution of R&D and technical assistance for footwear industry and APICCAPS) have been contacted by e-mail to participate in this project and 11 have answered favourably to the request. Only 10 interviews have been conducted because APICCAPS informed me that CTCP would give me all the information needed and they would not have anything to add. All companies interviewed can be considered small or medium-sized, having less than 250 employees, except Kyaia, that had 620 workers in 2016. The sample has different locations throughout the national territory.

The interviews took place between December 2016 and June 2017; there were three face-to-face, four by Skype, two by telephone and one by email; and all except the one by email were organised as semi-structured discussions lasting the shortest 40 minutes and the longest 1h 40 minutes. All interviews, except the one by e-mail, have been recorded with prior authorization, so they could be transcribed later in order to guarantee the reliability of its content. In chapter 5 it will be presented more information about companies and people interviewed.

The next step in Neale and Boice (2006) process, after planning the interviews, is the development of instruments, in this case, the interview guide. In order to obtain the information about the various companies and understand their practices in terms of green marketing and sustainability it was drawn an interview script (Annex 1) that was then applied to all interviewed people, however, making, some changes and adaptations to each one, according to the characteristics of the firm.

Questions were carefully thought and developed, based on the literature review and on the analytical model, in each way it would be possible to collect relevant data to the research and at the same time answer to the research questions.

The following table (Table 1) illustrates the connection between the variables or components present in the analytical model and the questions of the interview script.

Table 1: Systematization of the data collected

Variables of the model	Research questions	Interview questions
Competitiveness, differentiation and profitability	RQ 1: In which way do companies use green marketing strategies as a source of competitiveness, differentiation and profitability?	6, 18, 19
Collaborative relationships with stakeholders	RQ 2: In which way do green marketing strategies consolidate collaborative relationships between companies and their stakeholders?	13, 15
Green corporate image in stakeholders' minds	RQ 3: How important is the use of green marketing strategies to create a positive green corporate image in the stakeholders' minds?	7, 11, 12
Internationalisation strategy	RQ 4: What is the influence of green marketing strategies in terms of internationalisation and search for new markets?	16, 17
Reduction of costs	RQ 5: What is the relationship between the use of green marketing strategies and the possible reduction of costs by companies?	9, 10

The interview script includes 21 questions. Questions 1 to 5 are meant to explore the general information about the company and its sustainable policies regarding its appearance, lines of action and objectives. Questions number 6 and 7 are about the use of green marketing strategies as a source of profitability, competitiveness and a positive green corporate image in stakeholders' minds. In questions 8 and 9 the objective is to understand other benefits not mentioned yet, risks and opportunities for the company interviewed derived from a culture based on sustainability values and from the use of green marketing. Question 10 explores the influence of green marketing in costs and quality of shoes. The following two questions, 11 and 12, are focused on general marketing techniques used by the company. The purpose of questions 13 and 15 is to understand the existing relationships between the company and its stakeholders. Question 14 is related to the interviewee's opinion about the consumers' willingness to pay a higher price for products with a background story or green products. In questions 16 and 17 internationalisation policies and strategies adopted by the company are explored. Questions 18, 19 and 20 are focused on understanding the relationship

between the company and the competition, its know-how about that, differentiation factors and the opinion about the importance of adopting green marketing strategies in general Portuguese companies in footwear sector. Finally, question number 21 is a final remark regarding future perspectives and objectives for the company to achieve.

Chapter 4. Portuguese Footwear Industry

All the data used to characterize this industry was retreated from the 2015 statistical report written by APICCAPS.

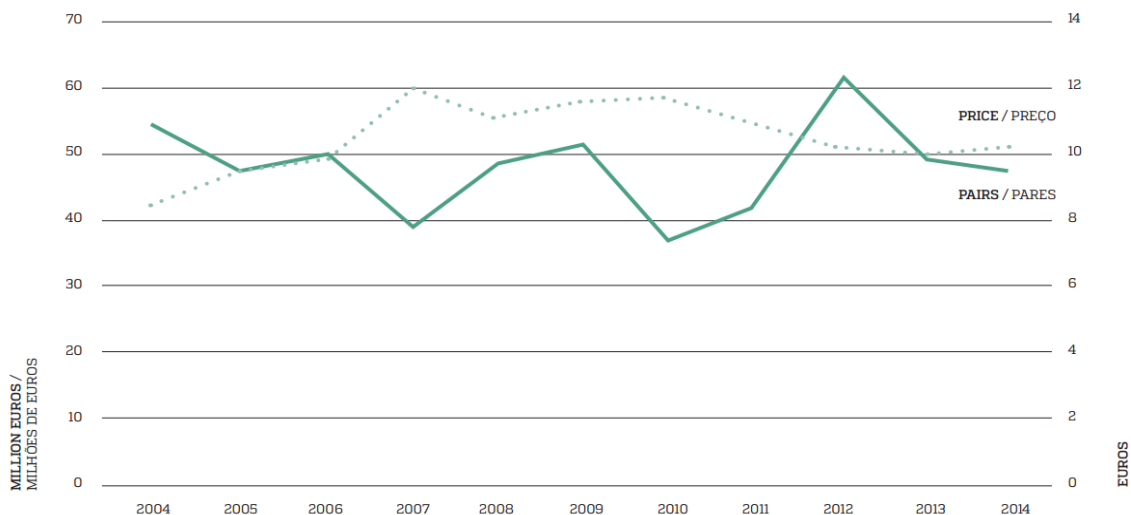
4.1 Business conditions

The year of 2014 was marked by the end of external intervention in the Portuguese economy and the businessman from the Portuguese footwear cluster kept a positive evaluation of the business conditions, supported by the recovery of the Portuguese and European economies.

While the world economy registered a growth rate similar to 2013, the Euro Zone, in which several of our main footwear export markets are situated, showed finally signs of recovery. The Portuguese economy/industry followed the same tendency and for the first time since 2010 it registered a positive economic growth: +0.9% in 2014.

In a context of national economic recovery, the reduction of unemployment has reduced the pressure on private consumption. As a consequence, after three consecutive years of contraction in the footwear market, apparent consumption in Portugal recovered by 3.3% in 2014, exceeding 52 million pairs (Figure 16).

Figure 16: Consumption and average price in Portugal, 2004-2014



Source: APICCAPS Statistical Report 2015

This is in consonance with the recovery of economic activity in the country and justifies expectations of a more satisfactory performance in the national market. Even so, it is important to highlight that the economic crisis had an impact on Portuguese consumers' choices, also according to the Figure 16. They started choosing footwear with more moderate average prices than a few years ago (€9.66 in 2014, substantially lower than the 2012 maximum). Apart from the business context, fluctuations in those choices were associated with variations in the type of products sold on the Portuguese market, particularly the relative proportion of leather footwear compared with that of other materials.

The tendency of gradual improvement continued not only in our country, but also in several economies until these days, which constitutes a point in favour for an industry strongly and mainly orientated towards foreign markets, such as that of footwear.

Despite this positive scenario, difficulties in business and private financing that started with the economic crisis seem to be continuous, stopping the growth in investment, which may in the long term affect the potential for growth of the Portuguese economy.

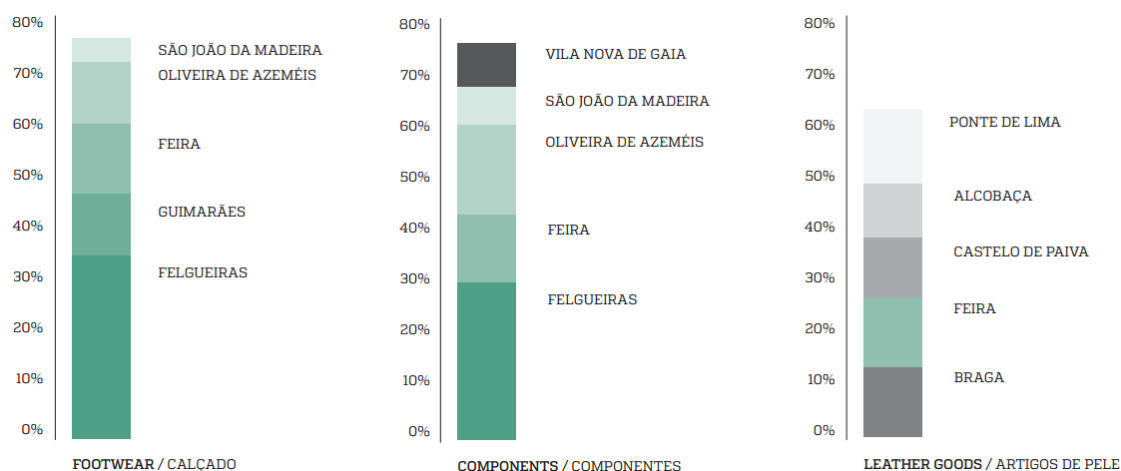
4.2 Structure and strategy

a. Geographic implantation

The footwear industry is highly concentrated in specific areas of the national territory which explains the existence of a Portuguese footwear cluster. This cluster includes not only the footwear production but also the footwear components and leather goods industries.

The concentration of these industries in a limited number of municipal districts (Figure 17) accounts for a high proportion of economic activity, particularly in terms of employment in these areas. At the same time, the location of many companies carrying in the same business close together encourages the economies of agglomeration, the solidification of business networks, and the diffusion of knowledge, in which sectorial institutions may assist.

Figure 17: Percentage of industry's employees per county (2013)



Source: APICCAPS Statistical Report 2015

The footwear industry is organised in two geographical areas of activity: the northern one, in districts like Felgueiras and Guimarães, extending westward as far as Barcelos; the other cluster is on the boundary between the Northern and Central regions (Santa Maria da Feira, Oliveira de Azeméis and São João da Madeira). There is a third but less representative area of activity further south in the Benedita region. The municipal district of Felgueiras is of particular note, representing 36% of the labour force in the footwear industry and 30% in components. The next most important ones are Santa Maria da Feira and Oliveira de Azeméis, two districts adjacent to São João da Madeira, followed by Guimarães. Together the five districts referred represent 76% of employment in the Portuguese footwear industry. These districts, with the strongest footwear industry implantation largely coincide with those that contribute most to exports.

b. Dimensional structure

The footwear cluster is characterized by the predominance of small and medium-sized companies, many of them established for a significant length of time, as occurs in various industries in the North of Portugal. The average number of employees per company (Figure 18) in 2014 was 26, higher than the average for the footwear industry in the European Union, according to Eurostat data from 2014, and than the average for the national manufacturing industry.

Figure 18: Average size of companies (2004-2014)



Source: APICCAPS Statistical Report 2015

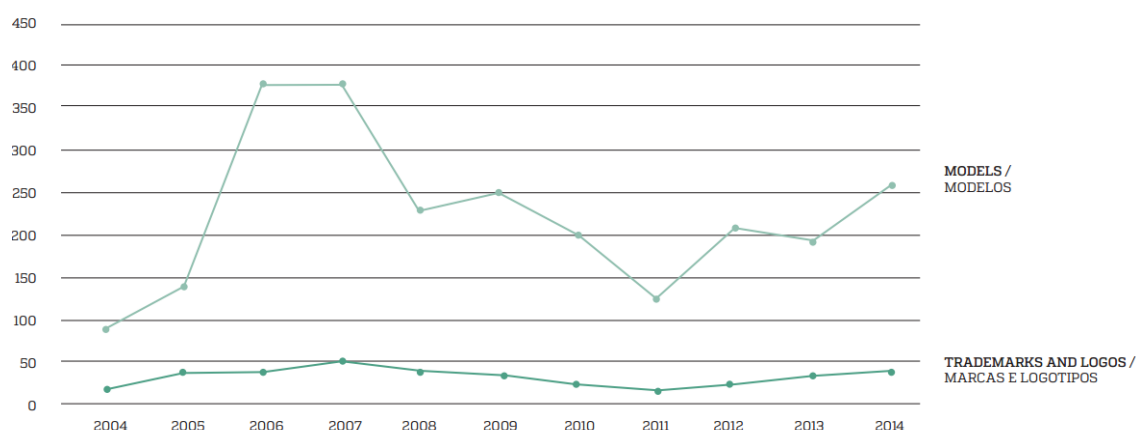
c. Innovation and protection of intellectual property

Given its strategic bet on creativity and fashion to improve its image with consumers, the Portuguese footwear industry is not indifferent to the existence of instruments for the protection of intellectual property in the fashion industries.

Traditionally, footwear has had little recourse to instruments such as registration of models, brands and logotypes. This can be due to the fact this is an industry in which the ability to copy and the difficulty of proving copying are particularly accentuated. Hence the efficacy of the existence of instruments for the protection of intellectual property is not obvious.

However, with the support of the CTCP, the use of such instruments has increased in most recent years. In 2014, the Office for the Support and Promotion of Industrial Property (GAPI) recorded 38 applications for registration of brands and logotypes and 259 for models (Figure 19).

Figure 19: Registration requests supported by GAPI/CTCP, 2004-2014



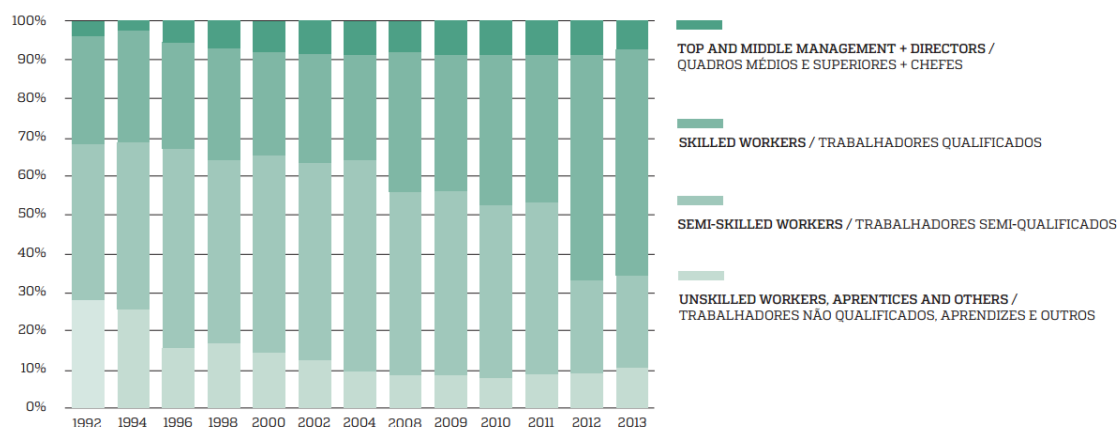
Source: APICCAPS Statistical Report 2015

d. Human Resources qualification

As an industry that adopt a strategy particularly focused on the high added-value markets, the Portuguese footwear cluster has felt it necessary to develop the qualifications of its human resources, a need that has been becoming more obvious since the turn of the century.

In twenty years, Figure 20 shows how the percentage of unskilled workers fell to a threshold of around 10% and that of semi-skilled workers from 39% to 23%. On the other hand, the percentage of skilled workers rose from 28% to 58% and middle and senior managers tripled their share of employment in the industry, from 3% to 9%. Thus there has been a change in the skills profile prevalent in the industry, due to the creation of training centres, professional courses and in-house training at the companies themselves.

Figure 20: Employee distribution by qualification level, 1992-2013



Source: APICCAPS Statistical Report 2015

4.3 Production and employment

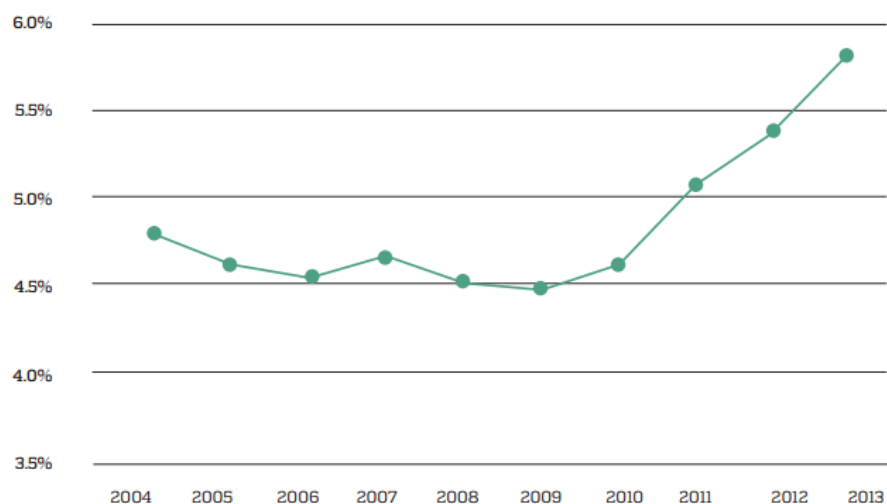
The footwear industry is highly competitive, both at national and international level. In a context of higher competition caused by the entrance and establishment of emerging economies in the global market, the Portuguese industry has moved away from the market segments in which competition is predominantly based on prices and moved towards the production of higher-quality shoes, concentrating on fashion and design and investing heavily in international promotion to achieve wider recognition. In that context, the footwear industry has been adopting some measures like redesigning its operational management processes, producing small production runs and responding rapidly and with flexibility to customer orders. The excellence of its production is now enabling it to support various business models based either on the implantation of its own brands, “footwear made in Portugal”, a symbolic added-value element and guarantee of the product, or on production for international brands of world-wide prominence.

a. Productivity and employment

Thanks to these developments, the footwear industry has increased its share of total employment in the Portuguese manufacturing industry to approximately 6% in 2013, the most recent year for which this indicator can be determined (Figure 21). In the last years, Portuguese footwear has been one of the expanding industries on the

Portuguese economic scene, intensifying its importance for employment in the municipal districts in which it is implanted, like we have seen before.

Figure 21: Footwear employment in total manufacturing, 2004-2013



Source: APICCAPS Statistical Report 2015

The Portuguese footwear industry currently employs almost 38,000 people and its annual production overpasses 75 million pairs, the highest value in a decade. These figures represent an increase of 18% and 21% respectively between 2010 and 2014, consolidating the importance of the footwear industry in the manufacturing sector.

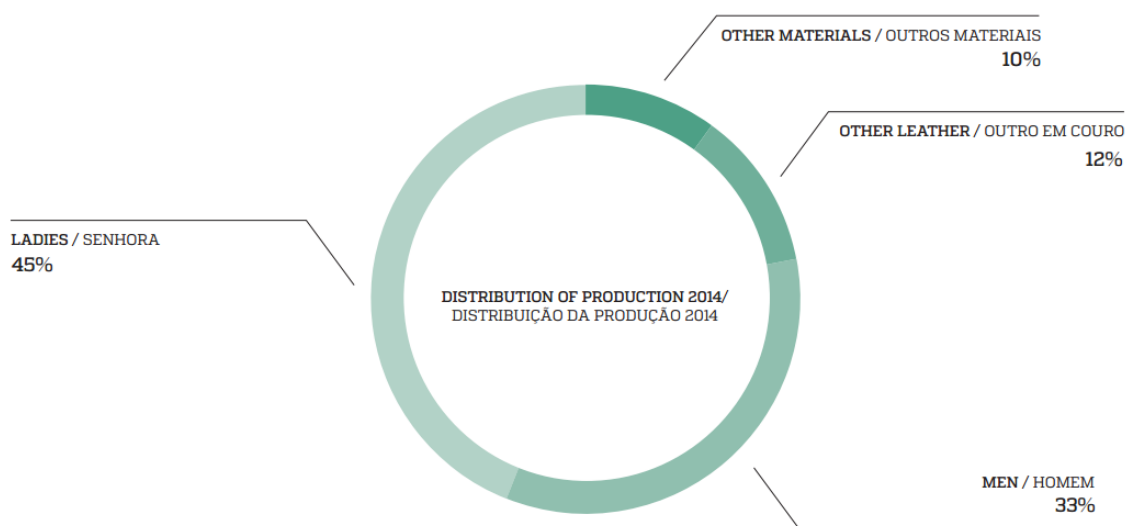
In physical terms, productivity in the footwear industry has remained relatively stable throughout the last years, producing, in average, 2,000 pairs per employee. The gross production value per employee, however, has increased significantly, reaching close to 50 000 Euros, 44% higher than the value recorded in 2005. This increase can be due to the application of the strategy of product enhancement and reshaping of the business model, as previously described.

b. Intra-industrial specialization

In terms of elements used to produce the shoes, leather is traditionally the preferred raw material for the Portuguese footwear industry (Figure 22) and is the most appropriate material to the differentiation strategy adopted by the Portuguese industry to position itself in added-value segments at international level. In 2014, 90% of the footwear sold by the Portuguese industry (45% for ladies, 33% for men and 12% for

other leather), in value, and 82%, in volume, was made from that material. Nevertheless, textiles and plastics have gained some significance in national production.

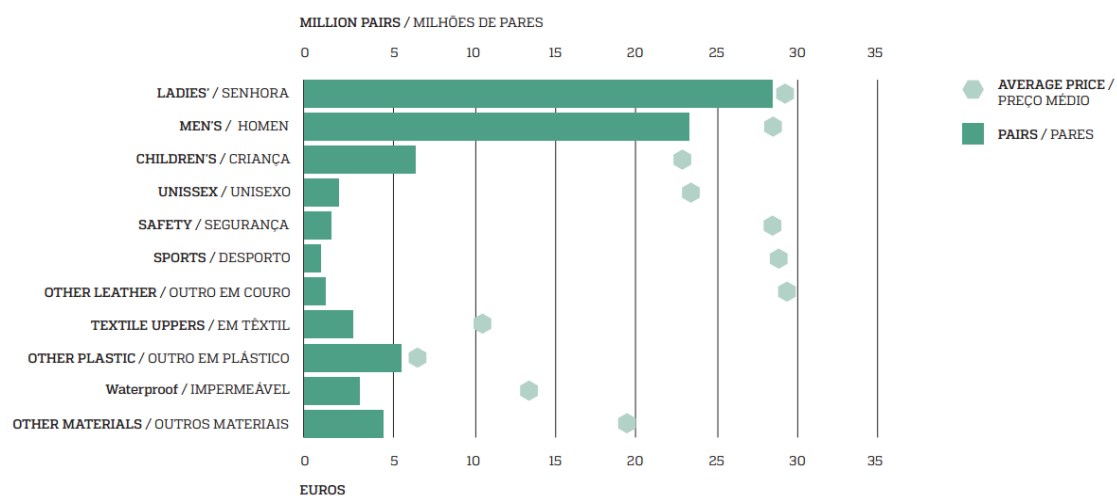
Figure 22: Production by type of footwear (value), 2014



Source: APICCAPS Statistical Report 2015

Relatively to the gender, ladies' footwear (44% of national production) is the most important segment in terms of value, not in terms of quantity, followed by men's footwear, with almost a third of national production. Both register an average price of almost 30 Euros per pair (men's slightly lower), as we can see in Figure 23.

Figure 23: Production: quantity and average price by type of footwear, 2014



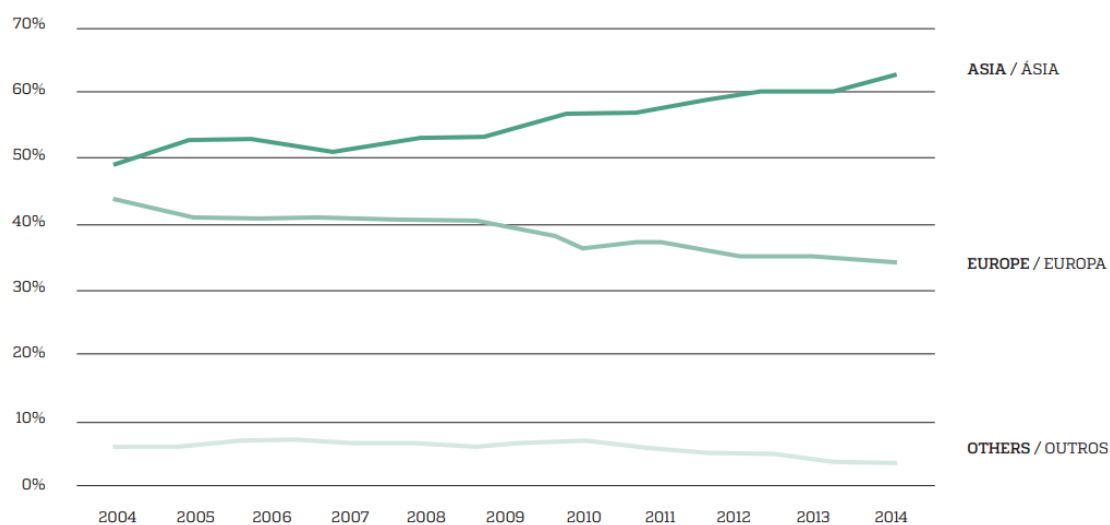
Source: APICCAPS Statistical Report 2015

4.4 International context

The Portuguese footwear industry is strongly orientated towards exports and because it largely operates in the international markets where foreign competition is intensifying year after year, the international context takes on a central role in its strategic framework.

The 21st century, and particularly the last ten years have been marked by the consolidation of Asia's position as the predominant continent in the footwear industry at international level. According to World Footwear data (2014), Asia now produces 86% of the pairs of shoes exported throughout the world and a historical maximum of 62% of their value. This represents a growth of around 13% compared with the figure recorded ten years earlier. Europe's share of world exports, on the other hand, has decreased significantly, and now stands at 34% of world exports (Figure 24). In terms of quantities: 86% of pairs of footwear exported have origin in Asian countries, compared with only 11% in European countries.

Figure 24: Share of different continents in world footwear exports (in value), 2004-2014



Source: APICCAPS Statistical Report 2015

It is not surprising, therefore, that the European Union, currently composed by 28 countries, consistently shows trade deficits (Figure 25). Between 2004 and 2010, the balance of trade deteriorated from -3 to -5.4 billion Euros, with the export/import coverage rate falling from 86% to 79%. That trend was reversed up to 2013, at which point the deficit stood at close to 4 billion Euros and the coverage rate increased to around 88%. The year of 2014, however, was marked by a higher increase in imports than in exports, which aggravated the trade deficit to 5 billion Euros and reduced the coverage rate by one percentage point.

Figure 25: Footwear external trade of the European Union members, 2004-2014

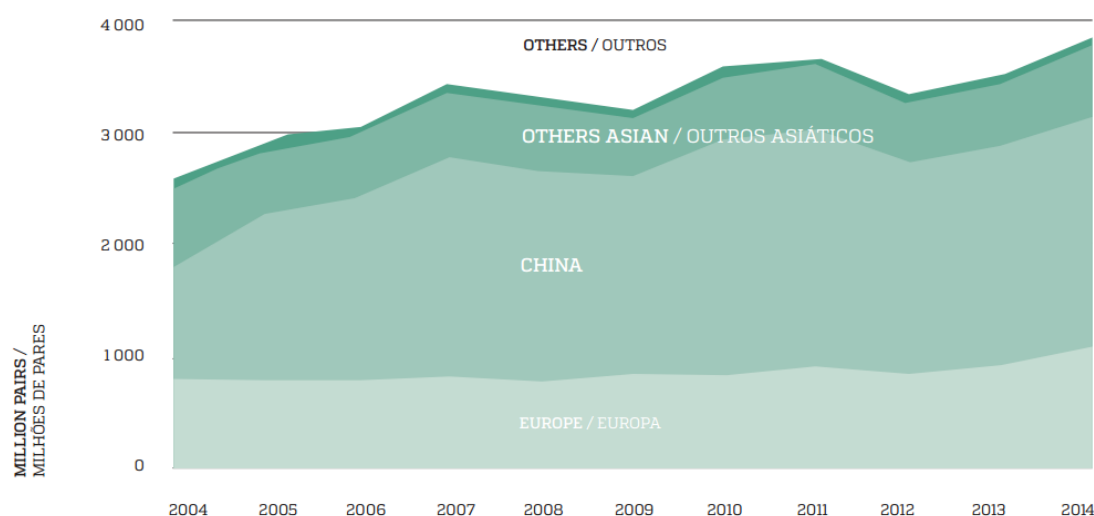


Source: APICCAPS Statistical Report 2015

The dominance of Asia in international trade is based on its strongly aggressive commercial policy. The low prices set by Asian countries largely account for the high growth of European Union imports from that continent, especially from China: Chinese footwear arrives in Europe with an average price below 5 Euros, less than a quarter of the average price of intra-European imports (19 Euros). It is important to highlight that this value of European footwear, higher than the worldwide average, reflects not only the production costs, significantly higher in EU than in the other big world market players, but also includes the intrinsic value of the products manufactured in this continent, such as high-quality, long design and manufacturing tradition (Step2Sustainability, 2013).

In fact, the Asian countries, and particularly China, are becoming the main sources of European footwear imports (Figure 26). Imports from China have more than doubled in the last 10 years, reaching a maximum of 2,121 million pairs in 2011. 2014 was marked again by growth in imports from China (+6%), achieving again over 2,100 million pairs (54% of European Union imports from China) and the other Asian countries (+14%) compared with the previous year.

Figure 26: Origin of footwear imports of the European Union members (in volume), 2004-2014



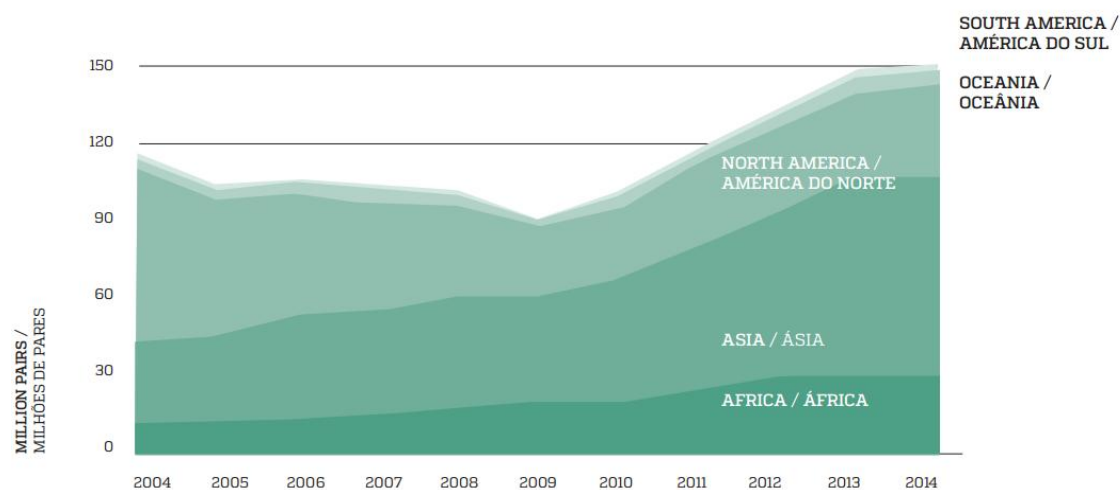
Source: APICCAPS Statistical Report 2015

In terms of exports, the top European Union footwear exporter is still Italy, with a 25% share. However, it has been losing some of its share over the last few years for countries such as Germany, Belgium, the Netherlands and France, which are also acquiring fairly significant shares, based on business models founded on intermediation of production from other origins. Portugal has kept its share relatively stable, keeping seventh position among European Union exporters, with a 5.5% share in 2014.

Exports from European Union members are almost exclusively to Europe itself: in 2014, less than 10% of the total quantity exported was destined for other continents (around 150 million pairs). Footwear exports to the Asian continent, and especially China, have more than doubled in the last years, showing that the emergence this country on the world market had brought a great opportunity for European footwear producers. Even so, the quantities exported to that continent are still fairly low, representing only 3.5% of trade in the opposite direction. Figure 27 reveals that the other two main destinations for exports from the European Union outside Europe, namely Africa and North America, show opposite tendencies. Exports to North America, which in 2004 was the principal destination of Community exports outside Europe, were considerably lower, its share of the total having fallen from over 60% ten years ago to only a quarter at present. Conversely, exports to Africa have increased by

around 212% since 2004, and represented some 20% of Community exports in 2014, more than double the share recorded ten years earlier.

Figure 27: Footwear exports of the European Union members to other continents, 2004-2014



Source: APICCAPS Statistical Report 2015

On the other side, when we talk about the countries with higher level of imports, the principal European Union importers are Germany, with a 20.2% share, France (14.1%), United Kingdom (13.5%) and Italy (1.5%). Attention should be drawn to the positions of countries like Belgium or the Netherlands which, in spite of their relatively small domestic markets, appear among the leading countries in terms of either exports or imports, as a result of their strategy of importing and subsequently re-exporting footwear (third and fourth places in terms of exports, and fifth and sixth places in terms of imports, respectively). In 2014, Portugal kept its 14th place among European importers, with a 1.2% share.

4.5 Foreign trade

As it has been stated before, the Portuguese footwear industry is strongly oriented towards international markets, which can explain its positive contribution for national foreign trade accounts, over the years.

Through the Figure 28 we can see a decline in this indicator in the first year analysed, due to the restructure in the industry since the beginning of the century, with

the relocation of big manufacturing units supported by foreign capital. Simultaneously, with the reinforcement of Asian competition in the principal international markets, this has had serious repercussions on national export values. Between 2006 and 2009, the strategic reorientation of the industry has made it possible to stabilise the trade surplus at around 800 million Euros.

Figure 28: External trade of the Portuguese footwear industry, 2004-2014

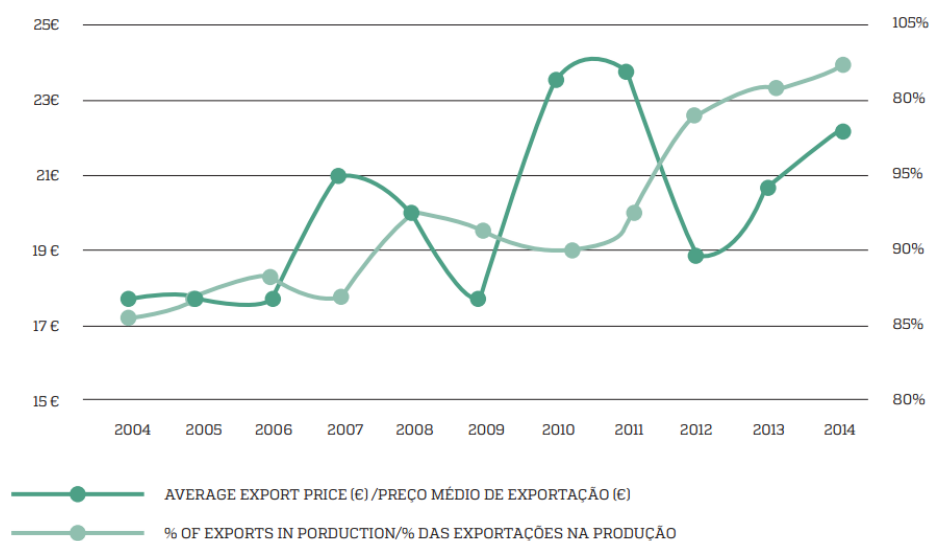


Source: APICCAPS Statistical Report 2015

In the next years, after 2009, the exports have increased by over 40%, reaching a historical maximum of 1,846 million Euros in 2014. This means a percentage of 98% of the production exported, at an average price of 24 Euros per pair, the second highest in the world, after Italy (Figure 29). The same figure shows some fluctuations between a minimum of 86% in 2004 and a maximum of 102% in 2012; this last figure reveals the adoption of strategies of re-exporting products previously imported by Portuguese companies, as their counterparts in other European countries do. However, it is important to notice that re-exports still represent a relatively insignificant share compared with the more traditional exports of their own production.

It is also important to notice that most recent data revealed that the exports of Portuguese footwear increased 8.9% in the first quarter of this year 2017, which means 24 millions of pairs exported and a value of 535 million Euros.

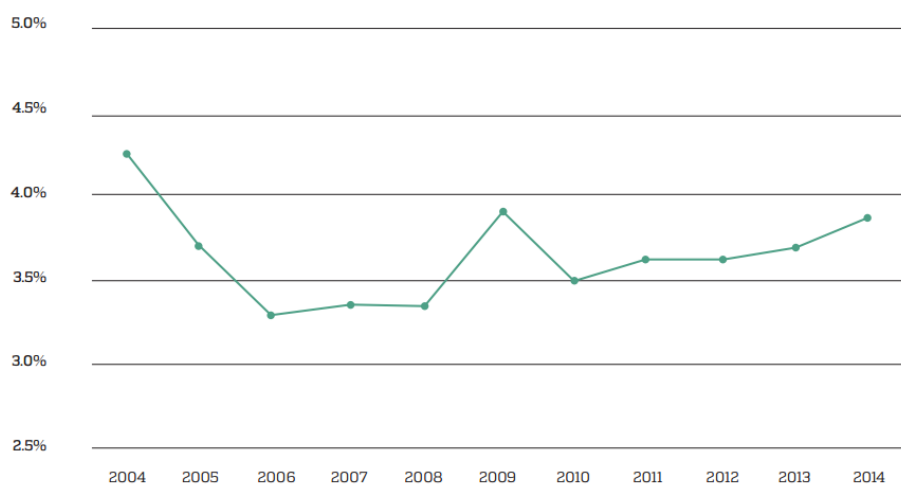
Figure 29: Share of exports in production and average export price, 2004-2014



Source: APICCAPS Statistical Report 2015

With the growth in exports, the footwear industry started to become one of the principal national exporters, achieving a 3.9% share of Portuguese exports in 2014 (Figure 30).

Figure 30: Share of footwear exports on total exports, 2004-2014

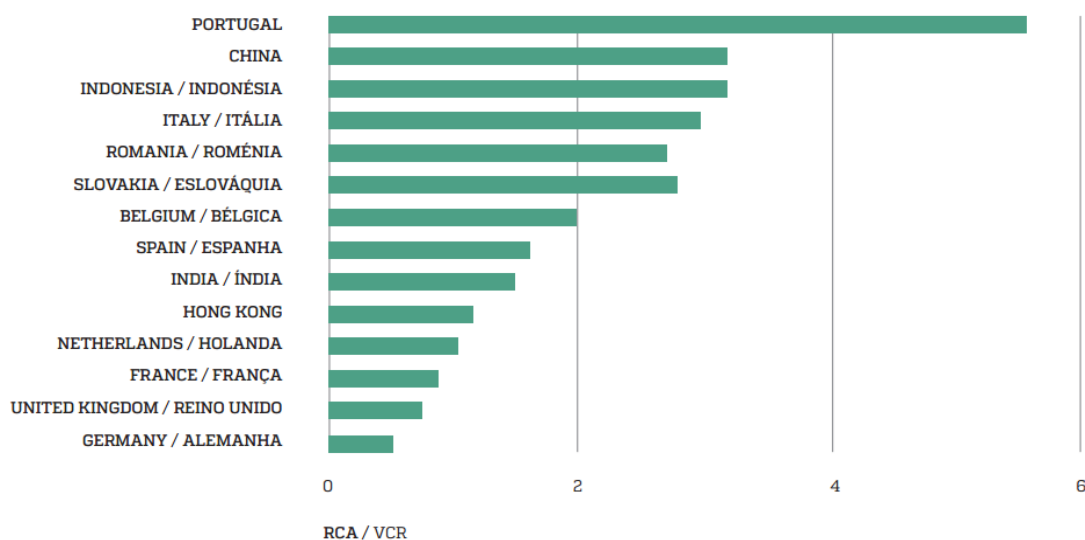


Source: APICCAPS Statistical Report 2015

In fact, the analysis of the revealed comparative advantage index confirms the relevance of the international footwear trade to the Portuguese economy. In China and

Italy, the two leading countries in footwear international trade, the proportion of exports represented by footwear is around 3 times what each country represents in total world exports; in the Portuguese economy, that figure is over 5 times (Figure 31).

Figure 31: Revealed comparative advantage, 2014



Source: APICCAPS Statistical Report 2015

In terms of commercial partners, geography plays a decisive role in foreign trade patterns, with Portuguese footwear exports remaining highly concentrated on Europe, that absorbed 91.3% of national exports in 2014 (Figure 32). Five markets (France, Germany, the Netherlands, Spain and the United Kingdom) absorbed more than 70% of national exports (72% in value, 71% in quantity) in 2014, although that figure has decreased slightly compared with the previous year. France is consistently the main destination for Portuguese footwear, regularly absorbing more than 16 million pairs a year.

Figure 32: Destination of Portuguese footwear exports (value), 2014



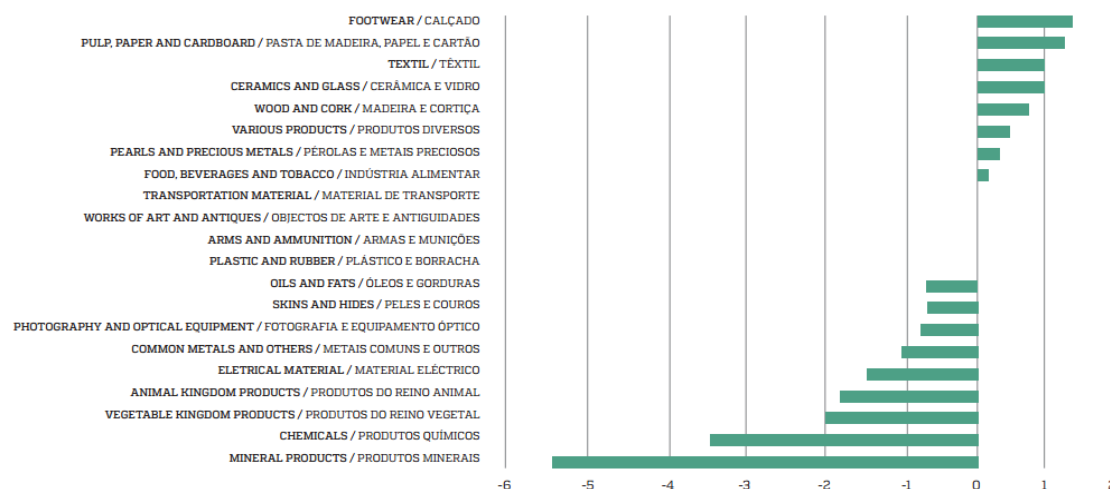
Source: APICCAPS Statistical Report 2015

The EU countries constitute a privileged destination because of the geographical proximity that exists, which is reflected in goods transport costs and has an impact on the efficiency of certain decisive aspects of Portuguese footwear strategy, such as flexibility and rapidity of response. Additionally, integrating the European Union, with non-existence of tariff barriers to international trade, and the adoption of a single currency encourage the development of intra-European business. Finally, this market is characterised by the existence of core groups of consumers with high purchasing power, who are attracted by footwear that has a significant fashion and design component and consequently a high price, such as that produced in Portugal.

Even so, it is important to recall this national industry has also succeeded in growing significantly in less traditional markets, such as Russia (281%), Canada (286%) or the United States (400%).

Relatively to the imports, the tendency of growth was not as accentuated as it occurred in exports. In Figure 28, previously shown, we could see that the imports have only increased by 6% between 2009 and 2014, raising the balance of trade to 1,396 million Euros. Important to highlight is the fact that the industry's external trade balance of 1,396 million Euros is the highest of any sector of the Portuguese economy, reflecting the importance of footwear in the national economy, compared with other sectors (Figure 33).

Figure 33: Trade balance, 2014



Source: APICCAPS Statistical Report 2015

In terms of geographical concentration, Portuguese footwear imports are even more concentrated than exports, with the five main suppliers representing 80% of their total value (Figure 34). The high proportion of imports (44%) comes from Spain.

Figure 34: Five main origins of Portuguese footwear imports (value), 2014



Source: APICCAPS Statistical Report 2015

4.6 Green marketing and sustainability

Following European and world trends, Portugal is becoming to focus on sustainability and environmental issues. Over the last decades, companies that are in the Portuguese footwear sector have been increasingly focused on the general society's needs and interests, relatively to environmental aspects and they are starting to be aware of the relevance of adopting sustainable development practices. The most important environmental aspects in this industry are associated with the emissions to the atmosphere, consumption of solvents, management of water and liquid effluents, solid waste, environmental noise, and also the use of eco-friendly materials.

In terms of what is being done at the moment regarding sustainability and green marketing in the Portuguese shoe industry, different projects are being launched by various entities.

One example of this kind of entities is the CTCP that is a non-profit private organization founded in 1986 with the incorporation of a footwear quality control laboratory created in 1981. CTCP was created by APICCAPS and two Governmental Institutes of the Portuguese Ministry of Economy (IAPMEI and INETI, nowadays called LNEG).

Figure 35: CTCP logo



According to Leandro de Melo, the general manager of CTCP, the main objectives of this association are to support the companies in the footwear industry and to make them more competitive. In the CTCP' website they go further and some specific objectives are added:

- To provide technical and technological support to companies in the footwear sector;
- To promote technical and technological training to the companies' human resources;
- To promote the industrial improvement of the product quality and processes;
- To prepare and spread technical information to the industry;

- To carry out and stimulate works of investigation, its development and demonstration.

To execute its objectives, CTCP develops different activities such as:

- Physical and Chemical laboratory tests of raw materials and final products;
- Products certification;
- Research into new materials, equipment and processes;
- Test Methods and standards;
- Environmental and Safety Consulting;
- Production and Manufacturing Consulting;
- Quality Certification schemes (ISO 9000, 14000, 18000);
- Training services, professional expertise and teaching resources;
- Sectoral studies;
- Software development;
- Information and Communication services;
- Protection of Industrial Property;
- HSW - Health and safety at work; Environment; Design.

Relatively to the environmental area, the most important one for this thesis, CTCP has qualified technicians that provide various services to companies: environmental legislation; gas emissions; measures to reduce the solvent expenditure, such as glues, paints, solvents, etc.; registration and completion of data in SIRAPA (Integrated System of Registration of the Portuguese Environmental Agency); measures to reduce the waste production (packaging and suitable destinations) and counselling on transport and proper treatment of waste. Besides that, CTCP has different projects in this area. “Step2Sustainability” and “CO2 Shoe Footwear Carbon Footprint” are two European projects mentioned above, where CTCP takes part and there are others, at a national level. One example is “Be Nature”, a research project set up aiming to develop biodegradable and affordable leather, components and footwear. During this project, disintegrable leather in composting conditions was developed for incorporation in footwear, such as in exterior leather, outer lining and insoles. After 21 days in composting conditions this type of leather is completely disintegrated, as proved by tests based on the method described in the ISO 20200:2004 standard. Be Nature gathered several entities such as tanning group ANC, SA – António Nunes Carvalho, footwear company Comforsyst, the Science Faculty from Nova University in Lisbon (FCT-UNL), the CTCP and the Leather Industry Technological Centre (CTIC) and lasted between September 2010 and December 2013. Resulting from the project’s

achievements, a line of environmentally friendly products, designated BioNature (for example, Bioleather) was brought to the market by tannery company ANC, SA, and were used in Comforsyst shoes. The line of products is composed by a range of leather which enables the creation of disintegrable products, thus contributing to a more sustainable planet and a better future for the next generations.

Another project is “Biocalce”. According to the Biocalce website, this is no more than a certification mechanism that ensures comfort and quality, resistance and durability in footwear that uses only free toxic materials for the user and the environment. For a product to use Biocalce label, first it has to pass through a wide range of laboratory tests. The models have to provide considerable levels of resistance (low wear, do not split, do not rip up and do not tear), do not inhibit sweating, do not stain the user’s feet and do not contain any chemical substances in harmful levels to the user’s skin neither to the environment. If the costumer has no specific requirements for the product to be certificated, this will obtain the label Biocalce Basic. To this pack, some extra features can be added, for the certification: extra care; biodegradable, vegan, natural and/or recycled; water resistant; chromium and/or pvc free; anti slip; low carbon footprint; green buying; comfort and according to the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals at European level).

In terms of business context, Portuguese footwear companies are already starting to use more sustainable techniques in the development of their products and processes and they are offering to customers more eco-friendly alternatives. This option is useful not only because it creates a more sustainable environmental alternative, but also because it promotes the green marketing that seems to seduce more and more consumers that are willing to pay a higher price. As Maria José Ferreira from de CTCP says “ecological shoes may sometimes have a superior price, but since it is a new and eco-friendly product, it attracts more public”.

In the next chapter, data analysis and results, information about the companies interviewed will be explained in detail, namely which practices are adopted relatively to the environmental and sustainability issues and how they promote it through green marketing strategies. The answers to the research questions and the hypothesis testing will also be presented, in order to draw conclusions relatively to the main problem of this thesis: to understand the importance of green marketing for Portuguese companies in the footwear industry.

Chapter 5. Data analysis and results

5.1 Data collection

As it was presented in chapter 2, about research methodology, 10 interviews were conducted, in 9 Portuguese footwear companies and 1 with CTCP. Now it will be presented a table (Table 2) with names of the companies, the name of employee interviewed in each company and the date of the interview. Then, more information about each company will be provided in Annex 2.

Table 2: Information about the interviews

Name of the company	Name of the interviewer	Date
KayakStorm	Pedro Lima, responsible for sustainable projects	December 19 th 2016
Green Boots	Pedro Lourenço, managing partner	January 25 th 2017
NAE	Marta Palma, responsible for the Marketing	February 15 th 2017
MDMA	Sara Pignatelli, founder	February 22 nd 2017
Original Cork	Sofia Santos Martins, founder	March 14 th 2017
Labuta	Pedro Olaio, founder and administrator	March 31 st 2017
Kyaia	Fortunato Frederico, founder and administrator	April 28 th 2017
FAIR	Carina Boavida, founder	May 7 th 2017
Comforsyst SA	Orlando Santos, administrator and brand manager	June 19 th 2017

From CTCP, Leandro de Melo, the general manager was interviewed. The interview was conducted in February 13th 2017.

5.2 Answer to the Research Questions

RQ 1: In which way do companies use green marketing strategies as a source of competitiveness, differentiation and profitability?

As previously stated, according to the literature review, various authors, such as Polonsky and Rosenberger (2001), Manaktola and Jauhari (2007) and Barbieri et al. (2010) suggest that companies adopt green marketing strategies as a source of competitiveness and differentiation relatively to the competitors.

According to Chamberlin (1993), as cited by Borna and Chapman (1993), differentiation exists if there is a significant basis, real or fancied, that distinguishes the products or services of one seller from those of another. Such basis should be valued by buyers and important for them, leading to a preference for one product or service over another from the competitor. To achieve differentiation, Porter (1985: 14) adds that a company “selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs”. Evans and Berman (1982), Mandell and Rosenberg (1981), and Pride and Ferrell (1993) limit product differentiation to only non-physical product characteristics, while Chamberlin (1962), Porter (1985), and Kotler (1980) consider both physical and non physical product attributes.

Competitiveness is the ability of a firm to offer products and services that meet the quality standards of the market at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them, according to Business Dictionary website. The differentiation, mentioned above, can lead a firm to be more competitive and finally to achieve a competitive advantage relatively to the competitors.

In this particular case, all companies interviewed agree that green marketing and other sustainability strategies help to differentiate themselves from other firms in the footwear industry. Now concrete measures taken by these companies with this objective will be presented.

Previously, we have seen that the most used material in the Portuguese footwear industry is leather, but companies are starting to use other materials, as a source of differentiation. For example, MDMA uses hand-me-down clothes to make their shoes, which makes them unique and exclusive since they do not always have the same clothes

to use, resulting only in limited editions. For the other side, the use of other sustainable materials such as cork, recycled tire, ecological microfibers, natural leather tanned with orange blossom or skin, bioleather, pineapple leaves and PET - recycled plastic bottles, help these companies to differentiate themselves from their competitors, while at the same time they are reducing their negative impact on the environment. Kyaia also differentiates itself from the competition through the installation of a photovoltaic power plant in its factory, which on sunny days can produce 70% of the energy used by it and through the investment on electric cars. This together with: a communication based on sustainability, which transmits the values of the company, such as transparency, passion, fairness, ethics, exclusivity, and so on; the know-how of the workers of the company, the intangible part; a product that has quality, design, is comfortable and can follow fashion trends and also that is totally created by local or national producers are key points for companies that use green marketing to become more competitive through differentiation.

When companies act in this way, they are reaching not only people that are worried about environmental and social issues and like to buy products with minimal impact in these two elements, but also can be chosen by people that like quality products produced in Portugal, with fashion and design and a plus, that are concerned with the future of our planet.

However, in terms of profitability, the opinions are distinct. The majority of companies analysed sometimes experience difficulties in terms of competitiveness and profitability, due to the higher prices of the eco-friendly raw materials compared to the traditional ones. As in Portugal these raw materials are relatively little used, prices increase a lot, also due to the fact that many times there are few suppliers. It is the case, for example, of Original Cork, which buys cork only from Corticeira Amorim, the leader in the cork market in Portugal, to use in their flip-flops. Therefore, in these conditions it is harder for these companies to buy at competitive prices, negatively affecting the profitability of the shoes. On the other hand, the time spent searching, combining and working on sustainable materials to result in viable products, are also added costs that contribute to lower profitability. For example, for Comforsyst SA, their green products sell much less compared to traditional collection, the brand Softwaves, hence they do not consider these products as an added value in terms of profitability. The result is obviously an increase in prices for sale, which is the only way to help achieving the desired profitability.

For KayakStorm, with the brand Ultrashoes, it is a bit different. According to Pedro Lima, for this company, “it is cheaper to make an ecological shoe than a non-ecological one” due to the reuse of materials such as industrial waste, resulting in 100% recycled materials. Being able to produce a cheaper shoe and not having so much competition, this company manages to practice superior margins in its eco-friendly products (Ultrashoes brand).

It is also important to add the fact that perhaps in long-term this matter of prices and profitability can become better for companies, from the moment people start to see that it is better to buy something of added value, that has a history behind it, a personal touch and that uses materials that respect the environment. With the greater use of these materials and more demand from the consumer, prices will be more competitive, bringing advantages to companies in terms of profitability.

To conclude, it can be said that **Hypothesis 1** cannot be totally validated because in fact, green marketing strategies are used by these Portuguese footwear companies to differentiate themselves from the competitors, but differently, the competitiveness and profitability may be negatively affected when using this type of practices.

RQ 2: In which way do green marketing strategies consolidate collaborative relationships between companies and their stakeholders?

Marketing literature recognizes that stakeholders play an important role in influencing organizations and markets (Davis, 1992; McIntosh, 1990; Polonsky, 1994; Pujari et al., 2003; Varadarajan and Menon, 1988) and at the same time they are also influenced by it (Svendsen, 2010). Svendsen (2010: 1) goes further, saying that “in an economy where companies need to persuade investors to hold their stock, employees to work cooperatively with others, customers to buy a broader range of their products and services and suppliers to maintain strong supply chains, collaborative stakeholder relationships are key”. Creating this type of relationships implies an integrated collaboration between the company and the stakeholders, also focus on building relationships, emphasis on creating opportunities and mutual benefits, linked with long-term business goals and a coherent approach driven by business goals, mission, values and corporate strategies (Svendsen, 2010).

According to interviews realised and data analysis, green marketing strategies can in fact help to consolidate and reinforce collaborative relationships between

companies and their stakeholders. How companies achieve that is what we are going to see next.

Regarding consumers, when these companies communicate their concerns about the environment and the society, consumers ask many times: “where do the materials come from?”; “what’s the story behind the shoes and where are they produced?”. This can be beneficial for both parts. Consumers get to know more about the company, their efforts to reduce the negative impacts on the environment and society when producing the shoes; companies transmit a transparent image to the consumers and gain their trust and even more important, the positive word-of-mouth as a marketing tool, to attract more clients.

If we put together the fact that the footwear industry is in constant innovation and the emergence of the use of green marketing strategies in this sector, it seems absolutely necessary for these companies to maintain collaborative relationships with entities like universities, technology centres, industry associations, and so on. It is the case of APICCAPS, CTCP, Sociedade Ponto Verde (which promotes the selection, collection and recycling of packaging in Portugal), University of Minho, Portuguese Vegetarian Association (AVP), FCT-UNL and CTIC, among others, which collaborate with companies analysed in this research work. Together with these stakeholders, companies take part in projects to develop new materials, new products and new techniques, being at the same time encouraged to apply it in their production lines and other business activities. At the same time, it is an opportunity for these companies to communicate their values and to show that in fact they are worried about the future of the planet and are willing to reduce their negative impact in the environment and in the society.

Suppliers and sometimes competitors are other stakeholders with whom it is possible to consolidate collaborative relationships, through pro environmental practices. Pedro Lima, from KayakStorm, highlights the importance of the time spent by their suppliers developing and testing materials that are more environmental-friendly, meaning synergistic improvements in environmental quality (Min and Galle, 2001). This interaction between the company and its suppliers has a positive effect on delivery and flexible performance, as Vachon and Klassen (2008) once said. For the other side, improves the ability to coordinate operations in order to respond faster and better to changes in customer requirements (Gunasekaran et al., 2008), increasing their satisfaction. Another case is the one of NAE. One of the materials used by this

company, pineapple leaves, is bought to an English supplier, Pinãtex, which works with local farmers in Philippines, respecting human rights and the labour laws. By doing so, NAE is contributing for the development of these communities, since they contribute for waste recycling and help them with a sale price percentage for each meter they buy. Pedro Olaio, from Labuta, talked about a situation in which a competitor once asked their help on how to make cork footwear and readily he gave the respective supplier contact. This to show how this mutual help can be useful for both parts improvement, in terms of know-how that is transferred, better financial performance and even the development of local communities.

Considering all of this, **Hypothesis 2** can be validated. Green marketing strategies help to consolidate collaborative relationships between companies and their stakeholders, with benefits for both parts, namely in the footwear industry, an industry in constant innovation and development.

RQ 3: How important is the use of green marketing strategies to create a positive green corporate image in the stakeholders' minds?

According to Van Riel and Fombrun (2007:40) “corporate image involves the features of the company that stakeholders come to perceive”, and this image is the general impression that a firm can generate in the mind of its stakeholders (Dowling, 1994). Similarly, green corporate image covers the environmental or green-related features of the firm that stakeholders come to perceive (Amores-Salvadó et. al., 2014). All green marketing strategies referred in the previous research question are determinant not only to consolidate collaborative relationships between companies and its stakeholders, but also contribute to the creation of a positive green corporate image in their minds.

When brands communicate its principles and values, its transparency, all the materials and suppliers used, where the shoes are produced and all the history behind the shoes taking into account the impact on the environment and its protection, stakeholders come to perceive the positive image they want to transmit. This will increase the level of environmental awareness and makes customers, for example, environmental partners (Tsoufas and Pappis, 2006).

Strategies like putting all the information available on the website and social media of the brand, making videos showing how the shoes are made in factories, by

whom and the materials used, putting messages on the packaging saying that the brand respects people and the planet, keeping in touch with clients even before the after sale, among others, are adopted by companies analysed. This is extremely important for consumers to understand that the objective is not only to sell, but also to understand their needs and transmit a sense of confidence and trust. Also through the use of other means of communication such as blogs, television, magazines about environment and sustainability, these companies can gain stakeholders' trust and like it has been told before, the positive word-of-mouth as a determinant marketing tool, to attract more clients. Not only people that are intrinsically worried about environmental issues and translate it into their buying decisions, but also general consumers, if they understand the message, will be willing to try, to know more about that company and more importantly to recommend to friends and family and even to unknown people, through social media, blogs, among others.

Fortunato Frederico, from Kyaia, even says that when companies use green marketing strategies and effectively communicate them, "we are not only creating a better world for our children to live in, but at the same time, we are giving a more liveable world for our clients' children, thus contributing to a positive image of the company". In fact this message can have a strong impact and can determine the consumer choice.

So, through the information obtained, we can agree that **Hypothesis 3** can be validated, since there is a positive relationship between the use of green marketing strategies and the creation of a positive green corporate image in the stakeholders' minds, namely in the case of Portuguese footwear companies analysed.

RQ 4: What is the influence of green marketing strategies in terms of internationalisation and search for new markets?

As it was previously explored, Portuguese footwear companies are strongly oriented towards international markets. Hence, the companies interviewed and analysed export most of their production. The objective of this question was to understand the influence of using green marketing strategies and selling more eco-friendly products in their internationalisation and search for new markets strategies.

All companies mentioned the fact that in developed countries, namely in northern Europe, people are more aware of environmental issues, sustainability and

have a future-oriented mentality when thinking about the planet and generations to come. At the same time, the purchasing power is higher in these countries, and people prefer to buy a pair of shoes with a story associated, that is natural, biodegradable or recycled and uses sustainable and eco-friendly materials, even if it is necessary to pay a little bit more for these eco-friendly products. In fact, marketing studies show that income is positively correlated with environmental sensitivity. This situation can be justified by the fact that people with a higher income level can more easily accept the marginal increase in the costs associated with supporting “green causes” and buying green products (Straughan and Roberts, 1999). Having this in mind, and using the country of origin (Portugal), which means producing quality footwear, these footwear companies end up investing in green marketing strategies to be part of that market and extend the range of customers. Such countries, where the ecological factor is more important seem to be, according to people interviewed: Germany, the Netherlands, Switzerland, Denmark, Sweden, Finland, Austria, and England. Apart from Europe, Canada and the United States of America show interest in eco-friendly footwear as well, according to the interviews.

NAE is one of the companies that clearly uses its green image and green marketing to enter in new markets. As Marta Palma, from NAE, said “the idea of our company since the beginning was to enter in countries where the environmental awareness and minimization on environmental impact was an already fixed reality and where we could grow as a brand, to learn more about this area and bring knowledge to our country (Portugal)”.

At the same time, markets like the Portuguese or even the Spanish or the Italian for example, present a purchasing power lower than markets mentioned in the previous paragraph, which can explain the lower interest for eco-friendly products. This is why green marketing strategies should be used to communicate more effectively in markets where it is not necessary to explain the concept of eco-friendly shoes, price variations of these products, and so on. These markets are already used to this reality and people translate their concerns about the environment in everything they buy and do.

Since there are this type of markets and like I have explained before, companies analysed in the Portuguese footwear industry use green marketing strategies to define their internationalisation and search for new markets policies, validating thus **Hypothesis 4.**

RQ 5: What is the relationship between the use of green marketing strategies and the possible reduction of costs by companies?

There is no agreement regarding the fact that the use of green marketing strategies and greening the production process increases or reduces costs for companies. Still, the majority defends a reduction in costs. According to some authors, these kind of strategies helps to reduce costs: it minimizes waste (Khidir and Zailani, 2009) and helps to minimize the cost of eliminating and treating hazardous and toxic materials, since there is a decreasing in consumption of these materials (Tsoufias and Pappis, 2006; Huang and Matthews, 2008); there is a more effective use of resources (Polonsky and Rosenberger, 2001); lower operating costs (Ottman et. al., 2006); less use of raw materials and saving energy costs (Shrivastava, 1995). On the other hand, Arseculeratne and Yazdanifard (2014) mention that developing green products can increase costs for companies because of the research and development that is needed to develop new materials and new methods of production, the waste management and recycling, installation of new technology, machines, training people and converting waste into recycled products.

In this particular study about Portuguese footwear companies, conclusions are quite the same from the existing literature, noticing a lack of agreement as well.

According to my interviews, most companies agree that the materials used for making green shoes (eco-friendly, natural, innovative, recycled) are more expensive than the traditional ones. The fact that there are still few suppliers to produce them, since this can imply changes in factory structure, machinery, human resources or many times only foreign suppliers produce it; the fact that there is little demand from footwear producers to eco-friendly materials and even from consumers relatively to the traditional materials and footwear; and also the fact that these materials imply research, development and testing to evaluate their feasibility to make footwear. All of that contributes to the increase of the price of these materials, and consequently increasing the costs to footwear companies that sell shoes which incorporate environmental concerns.

However, there is an exception, the recycled tire rubber used to make the soles of shoes. This material is much cheaper if compared with leather, for example, so companies that use it, like Green Boots and Ultrashoes can reduce costs when producing shoes with this material, achieving a more competitive selling price. Apart

from that, this material presents other advantages: quality, comfort, non-permeability and higher durability than leather soles.

In terms of production methods, many of these materials need to be worked more carefully and some companies analysed adopt traditional and artisanal techniques, leading to more time spent making the shoes, increasing their production cost and consequent selling price. For example, Green Boots and Labuta use Goodyear Welt, which is an old artisanal technique, extremely time consuming and expensive, but that makes the shoe more durable, comfortable, flexible and easier to repair. In Labuta, instead of treating their leather with chemicals, to be used to make their shoes, they seek to have natural leather that is naturally tanned in the wind, in the air, with orange blossom or orange skin. However, this process that is more sustainable, eco-friendly and natural, takes more than twice the time for the leather to be ready to be used. One more time, higher costs for the company. The machinery is the traditional, not by itself implying higher production costs, but techniques used make all difference.

Regarding machinery and waste management these companies adopt the traditional models, respecting all environmental legislation, a common practice in our country's industry. One of the companies interviewed goes further in terms of environmental protection, beyond what the legislation requires. It is the case of Kyaia that has invested in a solar panel plant in their factory in Guimarães, which on sunny days can produce 70% of the energy used in the entire structure, as previously stated. Together with the investment in electric cars, this company can save energy and other costs and a more effective use of resources, reducing at the same time its negative impact on the environment.

Despite the negative aspects previously mentioned, it is also in full agreement that these Portuguese footwear companies want to continue to use and invest in green marketing strategies, continue to use more sustainable materials and production techniques, proceed with green communication, showing stakeholders that they are worried about the future of our planet and want to build a better world for the future. And even if this can raise costs for their businesses in the short-term, they also believe that this is the right way and in the long term, once these strategies become more common, prices will be more competitive and Portuguese manufacturers will be even more positively recognized for their excellence in the footwear industry.

As a conclusion, **Hypothesis 5** cannot be fully accepted, since the use of green marketing strategies implies, either due to the materials used or due to the production methods, an increase in costs by companies in the Portuguese footwear sector.

Chapter 6. Conclusions

The main purpose of this study was to analyse the importance of the adoption of green marketing strategies for Portuguese companies in the footwear industry.

Through the analysis of the literature review and all the secondary data, together with the qualitative research, it can be concluded that companies are increasingly concerned with issues such as sustainability and reducing their negative impact on the environment. In addition to having a more responsible and transparent role in the society and in the environment, companies end up adopting these type of strategies because of the advantages that come to their businesses because of that.

In Portugal, the footwear industry is one of the most important for the national economy. If a few years ago Portuguese footwear was known for low prices, today it is the quality, comfort, design and the most efficient production and delivery processes that make this one of the most important sectors. Also almost exclusively directed to the external markets, it should be noted that Portuguese companies in this sector are increasingly adopting a more environmentally friendly position in order to remain competitive, since this is increasingly demanded by society.

The findings of this study suggest that a well-implemented green positioning strategy can lead to a more favourable perception of the brand, thus giving support to the green marketing approach in general. Companies are using green marketing as a way to improve their image with consumers and other stakeholders and at the same time maintaining collaborative relationships with them, reaping benefits for both parts. Moreover, adopting a greener position in the market can be a source of competitiveness and differentiation against competitors, namely in a high competitive sector as is the footwear. It is also important to highlight the fact that as Portugal exports the majority of shoes produced, the adoption of green marketing strategies is an important tool to reach new markets, new countries and therefore increase sales. This can be due to the fact that there are other points in the globe where people are much more aware of environmental issues and are willing to translate those concerns into their purchasing behaviour, buying more eco-friendly products, which are normally more expensive than the traditional ones.

The price factor seems to still be one of the most sensitive issues when it comes to producing and selling shoes associated with more sustainable materials, techniques and communications. People from Portuguese companies interviewed try to use

alternative materials and production techniques with minimal negative impact on the environment. Contrarily to what was found in the literature review, companies experiment some disadvantages in terms of costs and reduction in profitability of this kind of products. In Portugal, this type of materials is not widely used yet, which makes its production and its value more expensive. On the other side, there is no Government support or incentives to increase the use of it, for example, through a reduction of taxes or tax benefits for those materials. Additionally, many Portuguese suppliers of footwear components still work with traditional techniques and machinery and altering this structure would entail high investment in terms of money, new machinery, human resources training, research and development, and so on. Moreover, the time needed to work with these materials in order to obtain good quality products is higher than the one needed to work with traditional leather, for example. All of that leads us to conclude that the use of green marketing in these companies brings a disadvantage in terms of costs and reduced profitability of business, at least in the short-run.

However, experts interviewed consider that people's mentality is changing and they believe in the growth of this market in the near future and that the demand for Portuguese suppliers of shoes with environmental concerns will also grow, which will represent a huge competitive advantage for Portuguese companies in this sector. In the long-run they believe that companies that do not work like that will no longer be competitive and profitable.

To sum up, although it may not be appropriate to apply these conclusions to all companies, is extremely important for Portuguese footwear brands to adopt green marketing strategies at different levels of the organization. Nevertheless, there is still much more to do. In the next topic it will be presented some practical implications and suggestions on how to obtain the greatest number of advantages arising from the use of green marketing strategies.

6.1 Managerial implications

As it has been previously explored, marketers should try to ensure the sustainable development for their companies and to achieve that they are using environmental concepts to develop their strategies. Green marketing is an example of a means to achieve this objective. But if a few years ago the question of sustainability and green marketing was a differentiating factor for organizations, nowadays it should be a

common practice because consumers are more informed and demanding about the environment and the future of the planet.

Studies and research works dedicated to green marketing and environmental sustainability, as this master thesis, become an important support for the companies, as they allow to reach current results in this area and to assist their marketing strategies.

In terms of this specific master thesis, focused on the footwear industry, some practical implications are suggested for management and marketing of companies.

Through this research it can be concluded that green marketing is increasingly becoming more important for Portuguese companies to remain competitive. Different entities contribute to this. It is the case of CTCP that, in collaboration with companies in this sector, invests in: research and development to obtain alternative eco-friendly materials that generate less waste and consume less energy; developing new equipment and production techniques and processes that increase efficiency and effectiveness of business productivity; creating different projects, through which companies can increase their know-how and gain tools to improve their performance, allied to sustainability.

On the other hand, Portuguese companies in the footwear sector have to be attentive to the phenomena of sustainability, ecology and green products, but not basing the entire competitiveness of the company on this. Combining the strength, value, recognition and quality that this industry and its products already have, companies should seek to adopt an integrated strategy based on sustainability at various levels. No one is going to buy for the simple fact of being green. People would buy products that put together not only components such as quality, comfort, design, price, technical quality, but also social sustainability. Besides using sustainable materials and processes, companies must respect their workers and ensure their well-being, as well as work together with suppliers, creating collaborative relationships with them. Environmental practices and concerns should be integrated as a component of corporate responsibility, ensuring also that products are made in territories that are legally and environmentally controlled. The objective should be achieving an integrated strategy, keeping in mind all the vectors of TBL referred before (economic, socio-political and environmental), in order to bring long-term benefits to all parties involved. According to Friend (2009), the real power and potential is not based in marketing with the “we are green” approach, but in true innovation that delivers better performance and value for the price, both in “green”, as in everything else.

To finish, it is necessary for companies to monitor trends at an international level. Like it could be concluded through various studies, eco-friendly behaviour is increasingly common in some emerging countries, like China or India, among others. This can be a good opportunity for Portuguese footwear companies, so they should analyse it carefully. Additionally, Portugal is not yet one of the markets where green marketing has more expression compared to other countries where it is a fast-growing market, mainly because of the lower purchasing power. However, it is necessary to invest in our country. Companies in an industrial sector like this of footwear should invest more on marketing and communication, which if it used through efficient and sustainable strategies, will bring many benefits for the company.

6.2 Research limitations and Future research

Like any other research work, this master dissertation presents limitations that are expected to support future researchers, taking into consideration what was done before and be solved in future studies. The limitations may be at the level of topic selection and limitations in data collection and analysis.

One of the limitations is the small number of cases studied, which determines the strength and generalization of the conclusions taken. Despite having worked with companies from different parts of the country, the sample was not significant enough to draw generalized conclusions. Due to the limited time for the realization of this project, it was not possible to study other companies that could possibly insert some discussion for presenting different results and conclusions. Regarding the interviews conducted, the issues addressed could include other aspects of interest, introducing some more questions derived from other ones, in order to make the research hypothesis more significant. However, that could not be analysed in the context of this dissertation, due to time constraints.

Future research may help complement this study. Combining this qualitative research with a quantitative one would allow reaching more companies, particularly in this sector of footwear, contributing to the richness of conclusions drawn. On the other hand, it would be equally interesting to analyse the stakeholders' perceptions regarding sustainable companies and their products, together with the analysis of companies such as the ones included in this dissertation.

Since it is a topic of growing importance for society and companies in general, the replication of this study could be done in other industrial sectors, for example textiles, cork, hotels, or others. Besides the footwear industry, Portuguese companies in other sectors have been showing increasing concerns about sustainability and have increasingly applied green marketing strategies. So, the dissemination of this kind of studies to other industries would be pertinent.

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Annexes

Annex 1 – Interview script



Master in Marketing

Name of the interviewee:

Name of the company and location:

Date and duration:

1 – First of all, when, how and for what purpose was the company X born?

2 – Did your company adopt a philosophy based on the values of sustainability and environmental protection from the beginning? If yes, why? What were the goals? If not, how and why did the concern for sustainability appear? Was there a leader?

3 – What are the main lines of action followed to ensure the sustainable development of the company?

4 – What are the main strategic objectives of the sustainability policy followed by the company?

5 – As the company or marketing director, what is your role in the sustainability policies defined by the company? And the intervention of other departments and employees?

6 – How does the development of a culture based on sustainability principles have an impact on the way the company operates and is a source of profitability and competitiveness? Justify.

7 – Do you consider that the company's actions in the sustainable development area have an impact on the creation of a positive green corporate image in stakeholders' minds? Explain to what extent.

8 – Besides the ones previously mentioned what other benefits to the company come from the use of green marketing strategies and from a culture based on these values?

9 – In your opinion, what are the main risks and opportunities that a company like yours is facing in the context of sustainable development? Justify.

10 – In relation to footwear that is manufactured and sold at your company, do you consider that using sustainable materials and techniques there is an increase in price compared to traditional ones? And in terms of quality, is it compromised or affected?

11 – In relation to the marketing and communication of the company, what are the means of promotion used?

12 – Do you want your principles of sustainability and environmental protection to be one of the most important tools for communicating your brand? How do you use green marketing in your company?

13 – Are your customers interested in the company's sustainability policy? To what extent? Do you consider it a reason for choosing to buy your shoes instead of competitors'?

14 – From your experience, do you think consumers in general and particularly yours are willing to pay a higher price for a product that is "green"?

15 – Do the other stakeholders (investors, government organizations, NGOs, media, etc.) show interest in the company's values relatively to the sustainable development? To what extent?

16 – Some authors argue that in more developed countries people are more concerned about environmental causes and therefore are more willing to buy eco-friendly products, which many times are more expensive than the traditional ones. Do you agree?

17 – Is your internationalisation policy and strategy influenced by this type of information and data? In what way?

18 – Do you know other companies, within the same sector, footwear, which also have their values based on sustainability and concern for the environment? If yes, can you list them?

19 – Given the fact that there are other companies within the same industry with the same attention to the values of sustainability, do you consider that the initiatives performed in this area constitute a differentiating element of your company against the competition? What are the differentiation factors?

20 – In general terms and in your opinion, explain the importance of adopting green marketing strategies for Portuguese companies in the footwear sector.

21 – How do you see the future of your company and the global market? How can the sustainable development of you company guarantee a high quality performance in the medium and long term?

Annex 2 – Information about companies analysed



KayakStorm is a Portuguese shoe manufacturer established in 2001 in Romariz, Santa Maria da Feira, a cluster for the Portuguese shoe industry. It produces more than 250000 pairs per year, exclusively for the B2B market, and is currently exporting to over 35 countries in Africa, Europe, America and Asia (KayakStorm website).

The company develops different types of shoes and they present an eco-shoe collection, including vegan, biodegradable and upcycled shoes, being a world reference in this area. The creation of the brand Ultrashoes was the result of this collection.

According to Pedro Lima, the responsible for sustainable projects in KayakStorm, Ultrashoes appeared in 2014 with the objective of taking advantage of the ecological footwear market niche that has been growing since those days. Additionally there was a set of waste materials verified in the company and in the suppliers and other partners that could be used to produce something differentiating, not forgetting the technical care.

The concept of the brand is to offer shoes that at the same time can be eco, stylish, fair, comfortable, resistant and reasonably priced. Style and comfort comes from the regular activity of the company since they deliver 1200 pairs/day of different types of shoes. Fairness because raw materials (cheap or free waste) are converted through manual labour into quality materials, increasing the workers' wages. Resistant shoes since quality materials are chosen and intensive testing is done in order to obtain shoes that must compare to regular ones. Reasonable prices come from continuous search for new materials, technology, techniques, and so on.

Other values that characterize the brand are: the shoes are at least 60% eco-friendly, either during sourcing, production, using or discarding; suppliers and clients are encouraged to share their opinions and ideas with the firm, becoming their partners. The company uses this information to extend the capabilities of the partners.

Ultrashoes sells its own shoes with their own brand, however the company also helps other brands to develop their eco-concept, using the client brand and logo.

In terms of lines offered in the eco-friendly collection, they present vegan, biodegradable and upcycled shoes. All of that to guarantee a small impact in nature, enabling their customers to greatly reduce their ecological footprint too.

As have been written before, their marketing is focused on B2B market and because they follow the tendency of other footwear companies and exports most part of their products, they use international footwear fairs to show their collections. The most interested customers are those where the ecological factor is most important: The Netherlands, Switzerland, Germany, Denmark, Sweden and Finland.



Green Boots is a Portuguese brand that was created in 2013, based on the rich 58-year heritage of master shoemaker José Rodrigues Serrazina and his legacy in the Portuguese footwear industry. The collection is based on the original JSR boots made 58 years ago, but reinvented, modernized and full of personality, proud of its past and present, and enthusiastic for the future.

In terms of production, their boots are made by the traditional process, in the original factory JSR, founded by master José which is located in a small village in the centre of Portugal called Benedita – known since the 1940s by the land of shoemakers – with the machines of the time, and with the wise hands of long-time artisans. To make a pair of these boots four hours are needed, by the Goodyear Welt method, so as it was in the 1950s, without haste and with the same spirit and dedication that formed the character of this product. The know-how, tradition, quality, materials, hands and dedication with which each Green Boots pair is made are values respected since the beginning.

The Goodyear Welt as an artisanal manufacturing process was invented around 1869 and gives footwear a much superior foot strength, quality, flexibility, comfort, durability and breathability. The process itself makes it possible to change at any time the sole of any shoe or boot, without this in any way prejudicing the quality or appearance of it, which makes repair easier and more feasible to perform for countless times.

This brand is based in four principles: economic sustainability since they respect all value chains, all suppliers and try to seek first local materials and suppliers; 100% Portuguese brand; environmental protection with the use of greener materials such as rubber tire recycled and waste cork and a very careful choice of leather, that is treated without chemicals; and a pedagogical action, using a direct communication for product sustainability.

Green boots marketing is highly focused in communication the tradition of their products, that at the same time have a philosophy associated with sustainability at all levels, social, environmental and economic. They communicate through social media, national and international magazines, celebrity endorsements, among others. Another important marketing tool encompasses the international footwear fairs, where they can show their products and grab foreign clients' attention. Nowadays, Green Boots exports for Germany, Italy, France, Switzerland and Luxemburg.



fashion with compassion

NAE (No Animal Exploitation) is a Portuguese brand that was founded in 2008 by a vegan couple. According to Marta Palma, from the Marketing department of NAE, at this time there was not much vegan footwear supply, of quality, neither in Portugal, nor in other countries, so NAE appeared to address

this need. This at the same that the number of people interested about environmental issues and protecting animals rights was increasing globally.

It is a vegan brand, proposing a fair and animal-friendly alternative but at the same time it is focused on the design, style and quality that is already recognized in the Portuguese footwear and it is also respectful for the environment and workers' rights in the fashion industry. All their shoes are produced in Portugal and use environmentally friendly materials such as cork, ecological and biodegradable microfibers, natural rubber, organic linen and cotton, pineapple leaves and PET - recycled plastic bottles. They resume their essence in two words: ethical consumption (NAE website).

Since materials of animal origin are not used, according to Paula Pérez, one of the biggest challenges for the brand is in terms of marketing. Their objective is to show to consumers that there is an alternative to footwear and the conventional industry, which still uses products of animal origin.

This brand is present in various shops in Portugal, but their presence is stronger in the international market, where they consider there is more growth potential due to the higher purchasing power in some countries and people's openness to buy green products. According to the interview's information, they sell to Australia, Canada, United States of America, Austria, Germany, Italy, The Netherlands, Sweden, United Kingdom, Czech Republic, Switzerland and France. It is also possible to buy online.



MDMA for Minimize Damage Maximize Art is a Portuguese eco-shoes company founded in 2014, which is actually headquartered in London.

After working for many years in the footwear industry, at the age of 30, Sara Pignatelli, the founder of MDMA, decided to do a Master in Sustainable Fashion because it became clear to her she could make better shoes just by making few changes in the production process, as she writes in the MDMA website. "Instead of creating new materials every season, we collect discarded clothing and waste materials from factories producing all sorts, from furniture to luggage", she adds. Basically, the MDMA shoes core values can be found in a limited edition of shoes made from recycled and upcycled materials.

This project was launched with two main objectives: to reduce the environmental impact of a standard shoe, maintaining the quality, comfort and the same price level and bring sustainable fashion to the mainstream.

The whole production of MDMA takes place in Portugal and the upcycling collection uses damaged clothes found at H Sarah Trading and textile leftovers supplied by Seraical. The soles are made of rubber residues, which are recycled and converted into new soles through a technology created by Bolflex, a Portuguese company expert in the footwear components.

By now this is an exclusively online business but in our interview the founder confesses that her goal is to have her brand in several stores and to have a team of sales agents abroad, to support the online business.

Although it is a product that can be used by a very wide target (people from 25 to 45/55 years), MDMA shoes focus its marketing in the generation Y, known as Millennials (people born between 1980 and 1996). People from this generation are always connected but are less consumerist than their parents, run away from debt, prefer the experience to possession and very important, think about the impact of their buying choices (Pignatelli, 2017). So, MDMA purpose is to communicate to that people, a young and curious audience, largely connected to new technologies and social networks, and at the same time that are seeking more and more brands that are real stories and solve real problems. For that, it is used a disruptive, young and urban communication.



Original cork is a brand of flip flops made from cork which was born in 2015. This business came from an idea of the founder's son, who is really worried about the environment and local/national production and noticed there were no Portuguese brands of flip flops made from a sustainable material.

As we can see in Original Cork's website, the vision of the brand is: "Original cork is for different people with a common aim, the respect for sustainability."

Original cork flip flops uses cork, an original and environmental sustainable material, which is a 100% natural, recyclable and reusable (Original Cork website, 2017). Cork is the outer bark of the cork oak tree, whose bark can regenerate after each harvest. So, there is no negative impact on the environment when cork is extracted, as this element is naturally renewable and grows back after 9 years. Stripping cork oak also contributes to absorb carbon dioxide.

Besides its environmental benefits, Original cork flip flops have some other characteristics, are waterproof, resistant, comfortable as it molds and adapts to each foot, and stylish as well.

The brand focus its communication on younger population by showing to them there are more sustainable alternatives to use and to wear based on what the nature gives us. Like we can read in their website: "buy fair-trade, organic, and cruelty-free when you can".

Nowadays, this footwear can be found in different places such as a store called “Loja do Sapato Verde”, some stores in Lisbon, Porto and Funchal airports, and also online.



Labuta is made with soul shoes, bags & backpacks and jeans, 100% Portuguese handcrafted brand, created in 2015 by three entrepreneurs from Leiria, Portugal. The main purpose of the creation of this brand was to

honour some of the most charismatic professions that throughout history, because of its requirement and specificity, require to use a quality footwear and unmatched durability, like we can read in Labuta’s website.

The mission of the brand can be found in their Facebook page, as it follows: “Labuta develops its products based on the traditions and culture of our people, producing resistant, durable, eco-friendly footwear with a unique quality and comfort.” The shoes also have a modern design and are entirely manufactured by Portuguese artisans.

As it happens with Green Boots, all footwear made by Labuta is also produced through the Goodyear Welt manufacturing process created by Charles Goodyear during the industrial revolution, as a manufacturing process that would replace the traditional process of hand sewing.

Other value that characterizes the brand is the concern about the environment. They use more sustainable and natural materials are used in the footwear, such as for example, the cork and also all leather used doesn’t have any chemical agent (for example vegetable or semi-vegetable leather). They also promote the reuse of materials.

In terms of marketing, Labuta wants to pass the image that they produce all their products with passion and that they care about the environment, people and traditions, as they carefully select the materials and techniques to obtain the final product.

It is possible to buy Labuta’s products online and actually they also sell for countries such as Canada, Switzerland, and Cape Verde.



Kyaia is the name of a region in Angola where Fortunato Frederico was in military service and this why he gave the name of Kyaia when he founded his footwear company. This company was founded in 1984 and it is currently the biggest Portuguese footwear group.

In terms of brands, this company presents three, for different types of consumers: Fly London, Softinos and Foreva. Fly London was born in 1994 when Fortunato Frederico crossed "an abandoned stand" at the Dusseldorf footwear fair and contacted the project's authors to buy the English insignia, which chose a fly as a brand image. It is an extrovert, irreverent and original brand, oriented for young people and people with unfixed ideas. Softinos was launched in 2011, according to Kyaia's founder and is a more introverted, more interior-oriented brand. It is associated with comfort, description, discreet elegance, and convenience. While these two brands are more B2B oriented, Foreva, which entered the universe of Kyaia in 2005, is sold directly to consumers.

In 2016, the group presented a turnover of 60 million of Euros, almost entirely export oriented (97%), achieving 63 countries all around the world and it employs 620 workers, with four factories between Paredes de Coura and Guimarães.

In the next decade, the group wants to duplicate their production of shoes, that was 4500 per day in 2016 and to take a place among the top five producers of footwear in Europe. To achieve that, Fortunato Frederico highlights "we want to do things and grow in a sustained way, with what the brand itself gives".

The values of sustainability defended by the brand do not go through exaggerated investments in marketing, but by the use of the imagination and initiative to communicate with the consumers. Additionally, respect for workers and the

environment is a constant. In 2015, new investments were done in canteens for workers in Paredes de Coura and Guimarães and the purchase of a set of electric cars, more environmentally friendly, as well as investment in a photovoltaic power plant, which supplies energy to factory production.

In short, it is a company that is committed to thinking in the long term and in value creation, not neglecting at the same time people rights and needs and respect for the environment.



FAIR is a Portuguese brand of vegan shoes. Carina Boavida created this brand that suits different styles and people to inspire a change in the world, making it a more peaceful and kindest place.

Besides the vegan philosophy and respect towards animals since the collections are completely animal free, this brand also guarantees quality and design of their products and respect for people and nature. Fair's shoes are produced in Portugal, with the most sustainable materials and under worker-friendly conditions.

Since the creative development until the production, all business activities are developed in such way to have the minimal impact on the environment: reduction of the use of paper, which is replaced by drawing and catalogues in digital format; waste management and recycling and reducing waste of materials and resources (water, energy, raw materials, etc.) also relatively to their production partners. In the future they would like to implement renewable energy sources to support the business.



ComforSyst SA is a Portuguese footwear producer that was founded 1970, under the name of Lisboa & C^a Lda. It is located in São João da Madeira and employs 100 workers (2016). In 1990, Leonel Santos, accountant at the company at that time buys the entire company. After some positive years, when quality level and know-how

had increased on average products and new products have been developed, in the late 1990s, beginning of 2000, China came into force in the production of shoes and orders began to be cancelled and relocated. In order to deal with this negative scenario, Comforsyst SA no longer dedicated itself exclusively to the private label (other brands) and in 2003 launched the Softwaves brand, the first brand of the company and that actually feeds about 80/85% of our production line.

Softwaves is 100% made in Portugal, with high technology thinking, aiming women over 30's, for young moms and their mothers. Values such as design, quality, pure comfort, fresh and smart also characterize the brand. Besides this brand, Comforsyst SA presents others: Feetlife® for the pharmaceutical market, Fit & Smart for the corporate wear and Softwaves Green Edition® for the green products. Looking more in detail in this last one, according to my research objectives, Comforsyst sought to open new doors and space in the market, while promoting the environmental sustainability that is increasingly needed. Softwaves green edition is an eco-friendly collection made with biodegradable and natural materials, such as natural fibres (cotton, linen), cork, wood, and BioNature leather. This BioNature leather, developed under the BeNature project, in which the company participated, as I have been explained, has biodegradable characteristics and, consequently, less impact on the environment.

In terms of marketing and communication, various strategies are adopted: marketing on stores, social media and PR Offices are increased in order to help the sales force. Also their participation in many international fairs brings many international buyers to present Softwaves around the world. Actually their shoes reach 40 countries through different channels: shops, pharmacies, catalogues and since 2016, online, to communicate directly with the final consumer.