

# Green Marketing in Vietnam - Situation and Solutions

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**ABSTRACT:** Green marketing is an ongoing process that requires constant input from suppliers, government policies and the people. This is necessary so that green marketing strategies can be immediately targeted to the target market and thus, it can achieve a sustainable competitive advantage. It is important that strategies and policies related to green products are developed and implemented to guide and help retailers and customers towards a green shift. In fact, today, in developed countries, green marketing is not a strange phrase and has been applied by many businesses. However, in Vietnam, this concept is still quite new and has not been widely applied. But green marketing quickly will be an inevitable trend in Vietnam, an issue that Vietnamese businesses should pay attention to and invest in, to be able to catch up with the world's development in the environment and trends. global like this. The article analyzes the theoretical and practical implications of green marketing in Vietnam today, on that basis points out its limitations and causes, and proposes some solutions to promote green marketing in the future. next.

**Key Words:** Green Marketing; Green consumption; Green economy; Sustainable Development; Vietnam.

## I. INTRODUCTION

Environmental issues are being increasingly concerned by society, businesses are trying to change their behavior in line with the orientation of the whole society. Some organizations are quick to change with an environmental management system and minimize the amount of waste and integrate environmental issues with all activities of the organization.

One area that receives a lot of attention from most experts is Marketing. Terms like "Green Marketing" or "Environmental Marketing" appear quite regularly in recent times. Many governments are interested in green marketing (Polonsky 1994). For example, in the United States, an entire Federal Trade Commission was established to develop issues of environmental marketing (FTC - Federal

Trade Commission and National Association of Attorneys - General). One of the biggest problems is that there are too few authors who have seriously studied this issue in terms of Green Marketing or Environmental Marketing.

## II. THEORETICAL BASIS

### 2.1. The concept of Green Marketing

Almost all businesses have the notion that green marketing only stops at communication or advertising activities about products with a few characteristics related to the environment. A few terms like Recycle, reuse, eco-friendly, Ozone-friendly are a few things that most consumers associate when it comes to Green Marketing. In fact, Green Marketing does not stop there, it can be applied to consumer goods, industrial goods or services. For example, in the world, there are many resorts that start with the business of "eco-tourism", or fashion companies can organize shows, with collections made from products that have already been used. used, it is also one of many illustrative examples of green marketing (May 1991, Ingram and Durst 1989, Troumbis 1991).

Therefore, Green Marketing involves a lot of business activities such as product design, production line change, packaging as well as communication, this is not a simple task, therefore, There are many differences in the use of terms, there are some authors who can use environmental marketing or eco-marketing in addition to green marketing. According to Henion and Kinnear of the American Marketing Association (AMA), green marketing is all exchange activities aimed at satisfying human needs and wants and minimizing harmful effects on the natural environment.

### 2.2. The role of green marketing for businesses and the economy

From an economic perspective, economics is the study of the use of finite resources to satisfy unlimited human needs (McTaggart, Findlay and Parkin 1992). Businesses are operating in a limited natural environment to satisfy the infinite needs of

their customers, so paying attention to Green Marketing is inevitable in the near future, specifically.

Today, more and more customers, individuals and organizations are more interested in Green Marketing and conscious of the natural environment. In 1992, a study in 16 countries found that more than 50% of consumers in each country were concerned about environmental issues (Ottman 1993). In 1994, an Australian study found that 84.4% of individuals believed they should be responsible for the natural environment. One study showed that 80% of customers are committed to changing their consumption habits that have an adverse effect on the environment (EPA-NSW 1994). Given these data, the author wants to prove the fact that if businesses have marketing activities that care about the environment, they will have sustainable competitive advantages over companies that do not care about the environment. .

McDonald's has replaced nylon product packaging with packaging samples with biodegradable materials in order to increase the awareness of environmental protection for customers.

Xerox introduces a line of copiers that use recycled paper to help customers reduce their harm to the natural environment.

In addition, many companies are beginning to realize that they are part of a wider community and therefore need to be responsible for the environment, which means that companies realize that achieving their environmental goals environment is as important as profit maximization, and environmental concerns are increasingly integrated with the culture of the organization.

For marketing-related activities, the government wants to protect consumers and society, and green marketing is one such tool. This protection can be done in a few ways:

Minimizing harmful products to consumers

Regulating consumer behavior regarding harmful products

Raise awareness to ensure that all consumers have the ability to protect themselves against harmful products

The government issues regulations to control the amount of waste released into the environment, thereby regulating the behavior of the organization. In some cases, the government trying to regulate customer behavior ends up being more responsible. For example, some governments have established recycling clubs, whose participants are mainly voluntary consumers.

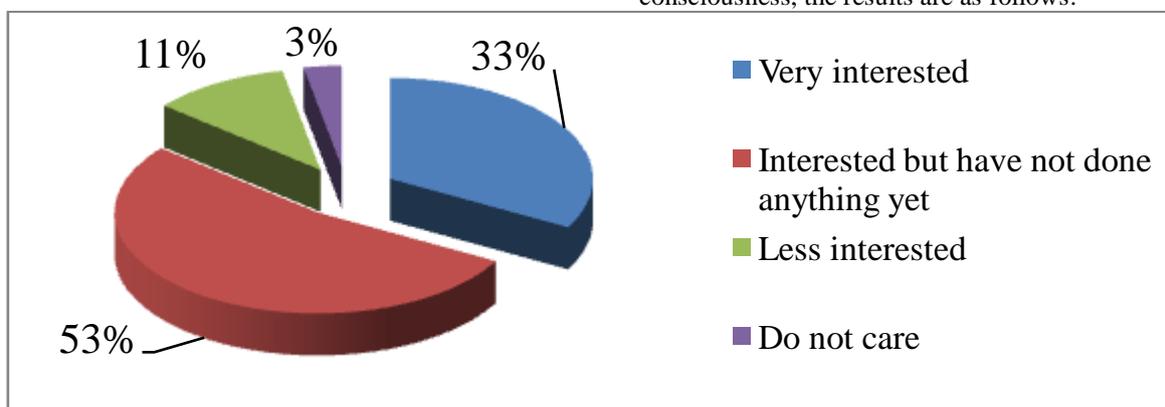
Businesses can use green marketing as a cost or profit related endeavor. The release of hazardous substances into the environment can reduce operating costs for businesses. There are some businesses that think that increasing green marketing efforts can increase costs, but in fact finding solutions to reuse used products, this not only develops the efficient production system but also reduce raw material resources. This has a double impact, helping businesses save costs in recycling and reduce the source of the need for raw materials.

In some cases, some businesses are even looking for green marketing solutions for an entire production system instead of just minimizing the amount of waste released into the environment. In these situations, the business tries to find materials that are used substances.

### III. SITUATION OF GREEN MARKETING APPLICATION IN VIETNAM

#### 3.1. Survey results

The author organized a study to collect people's opinions on environmental protection consciousness, the results are as follows:



**Figure 1. Survey results on people's opinions about Marketing**

(Source: Author's survey results in 2022)

The results of this preliminary study also show that Vietnamese people are starting to pay more attention to environmental issues, especially when the "Conference on climate change in Copenhagen - COP 15, Denmark" attracts attention. a lot of public attention around the world.

In recent years, Vietnamese businesses have started to apply green marketing in their marketing activities. Nokia is a prime example, this company always deserves to be a pioneer in all its activities, from technology-integrated products appearing for the first time on the market that makes every customer pay attention. , to interactive communication programs on the Internet that are quite effective, attracting the participation of many young customers, to most recently the activity of collecting old phones for recycling in order to create a healthy digital environment for your customers. The benefits that Nokia gives to its customers do not stop at high-class products, but also show through responsible actions to the community.

Although it has only appeared in Vietnam for a short time, the application of green marketing by businesses is increasingly raising people's awareness about environmental protection, avoiding the retaliation of nature when the balance is lost. by ecology occurs.

Besides, there are still a lot of companies like Vedan, ignoring the damage that people living along Thi Vai river suffer, compared to the amount that Vedan will compensate for will be very small with the brand trust collapsed. of consumers. This is probably a lesson for all other companies in Vietnam.

### **3.2. Realistic analysis of green marketing in Vietnam**

In fact, in Vietnam, although green marketing has been mentioned more and more in recent years, there is no detailed statistics on these marketing activities in enterprises. Therefore, the study focuses on analyzing some outstanding green marketing campaigns in Vietnam to clarify the development of this type of marketing.

Researching on green marketing strategies in Vietnam, it can be seen that Toyota Vietnam has applied this type of marketing for a long time. It can be seen that green marketing programs are implemented by Toyota Vietnam in a synchronous manner, from design, product creation, to production, distribution and communication. The company has greened itself in a comprehensive way: from products with environmentally friendly car production, TPS (The Toyota Production System - Toyota Production System) saves energy,

reduces waste; to the pricing strategy when the benefits of the environment are closely linked to the personal interests of consumers: vehicles that use less fuel save resources and reduce CO2 also help customers save costs during vehicle operation. In addition, as of March 2019, 44/55 authorized agents/branches and service stations have successfully applied the Environmental Management system and been granted ISO 14001 certification. associated with Go Green program and many typical activities of Go Green Club.

Besides Toyota, Ajinomoto is also a prominent name in green marketing strategy. The company aims to achieve zero emissions, use energy efficiently and promote business based on biological cycles.

Meanwhile, cosmetics brand Innisfree conveys its environmental protection message by collaborating with celebrities and making the most of social media. The brand calls for the smallest changes to be made to reduce the amount of plastic waste globally. With the participation of KOLs, the above message spread strongly on social networks at the end of 2018.

Although environmental protection is always a frequently mentioned phrase, 2019 is probably a boom year in Vietnam, raising public consciousness when the phrase "Zero waste" is mentioned with a dense frequency on the internet. Information and communication sites become a global environmental protection campaign. In simple terms, Zero waste is the idea of a lifestyle that does not or produces very little waste, especially non-recyclable and less biodegradable waste such as plastic or nylon. Accordingly, consumers are conscious of reducing single-use plastic waste as well as being more strict with brands that still overuse this type of waste. In order to retain "God" and develop the brand in a sustainable way, a series of big brands in Vietnam joined this campaign for the global environment, such as: Starbucks, Highlands Coffee, Coca - cola, Pepsico... actively reduce the use of plastic and replace it with grass straws, paper, metal, paper food containers, cloth bags, use glass cups for guests to use at shop.

Also in 2019, the image of Rimping supermarket in Chiangmai, Thailand wrapping vegetable products with banana leaves was widely shared on social networks. Not long after, a series of supermarkets in Vietnam including Lotte Mart, BigC, Co.opMart began to pilot this model. Although the replacement of plastic bags at supermarkets has been proposed for a long time, it has not received adequate attention from consumers. However, this move to replace

environmentally friendly wrapping materials in 2019 was strongly supported, creating momentum for supermarket chains' goal to cut most plastic bags.

Another outstanding example of a green Marketing application business is Dairy Cow by BOO. BOO is famous for Boovironment, which is all environmental protection activities of enterprises: green destination, green office, green production, green project. A typical example of BOO's green project is the campaign "Turn off lights - Turn on ideas", in response to the Earth Hour event organized annually by the World Wide Fund for Nature. BOO's green destination is the place to help customers recycle, reuse and reduce plastic bag consumption. BOO also develops green marketing in green products: 90% of materials are imported from domestic partners, launches a product line from cotton (natural), provides Canvas bags for customers to replace bags. nylon; or use environmentally friendly printing ink and product labels.

Looking at the current status of green marketing activities in Vietnam, it can be seen that this form of marketing is growing strongly. Green living campaigns, not using plastic waste appearing more and more in the mass media have shown consumers' interest in environmental protection. Businesses are also more interested in green Marketing applications. If a few years ago, when it comes to businesses applying green marketing in Vietnam, only a few prominent names like Toyota or Ajinomoto were mentioned, now, there are a series of brands that have emerged with the slogan green and received a great response from consumers.

However, green marketing is not always an effective bridge between businesses and the community. Some businesses have used the wrong green marketing strategy, "saying no goes with action", negatively affecting image and reputation. Highlands is a very successful coffee and beverage brand chain in Vietnam with more than 180 stores across the country. The utensils at Highlands are all self-made with the consumption of more than 100,000 plastic cups, straws and spoons per day at a store. In May 2019, Highlands joined the "less plastic" campaign, encouraging customers to bring their own bottles for free upsized. However, this campaign was criticized because the number of customers carrying personal bottles was only a minority, while the majority continued to use plastic. Besides, Phuc Long, a famous tea brand, was also called for a boycott by many consumers when a Phuc Long store asked customers to sort their waste according to different boxes, but shared

the same bag. stored below and this brand still uses plastic lids and plastic straws with the same consumption as Highlands. It can be seen that green products are good for the environment and consumers, but the way you treat it, the way you bring it to consumers, will greatly influence the perception of customers and will affect to product success.

#### IV. GREEN MARKETING TREND IN THE WORLD AND IN VIETNAM

It can be seen that, in the future, the consumption trend of consumers will become more and more green. They are more interested in green consumption not only because of the existing "green" of the product but also by the comprehensive "green" from the origin and origin of materials to the production and supply process. Since then, the green marketing trend will be increasingly popular. Enterprises will slowly green themselves towards sustainable development. Besides, with the increase in awareness of environmental issues, consumers are also gradually becoming more demanding in evaluating green marketing campaigns of businesses. The fact that businesses "say no and do", communicating about green living slogans but themselves still polluting the environment can lead to counterproductive effects, lowering the reputation of the business in the eyes of consumers. Therefore, businesses need to make consumers believe in the legitimacy of the product and the honesty in the claims and advertisements about the product.

Firstly, the biggest challenge for marketers is how to combine the needs of "environmental protection" with other basic needs of consumers such as cost-effectiveness, safety in use, performance, iconic value and comfort. Vietnamese businesses need to have the right strategy to both ensure the needs of consumers and ensure the purpose of environmental protection.

Second, the implementation of the Green Marketing strategy will make the investment cost high and the product cost high. Green marketing is a combination of a series of activities, including product adjustment, production, packaging to distribution, advertising, requiring businesses to spend a large amount of investment right from the start, leading to an increase in the cost of finished products. As a result, their products will be less competitive in the market.

Third, there has not been a high degree of close coordination between businesses as well as authorities. In Vietnam, the legal system regulating environmental issues is incomplete, the standards set are taken according to international standards,

not practical in Vietnam. Moreover, we have not been able to combine the strength of non-profit organizations to create a trend that strongly hits the consumer's psychology or if so, that trend has not operated continuously and of course not. there are many results.

Fourth, Vietnamese people love to use cheap products, do not appreciate the quality of products. On the other hand, they are suspicious of advertisements for "green" products because there are too many deceitful businesses, doing business without transparency... Therefore, this is a big difficulty for Vietnamese businesses when deploying strategies. Green marketing strategy.

Fifth, Vietnamese enterprises today are mainly small and medium-sized enterprises, with limited capital, while implementing the green marketing process requires the use of expensive and modern science and technology. In addition, the cost of materials, marketing and advertising products is not small at all. Since then, the application of green marketing is still quite difficult for Vietnamese businesses.

## V. SOME SOLUTIONS FOR GREEN MARKETING IN VIETNAM

**Increase consumer awareness:** One of the factors for customers to easily decide to buy a product is that they really understand the product. Businesses need to make consumers understand the purpose and meaning of that action, in addition, need to guide consumers to contribute to environmental protection.

**Producing green products, green production process:** Cleaner green production is proactively reducing waste and preventing noise pollution, conserving raw materials and energy, reducing negative impacts in equipment and materials. Design and develop services. Cleaner production is not just about equipment changes, but also changes in the operation and management of a business. Cleaner production processes can be divided into three groups: Waste Reduction at Source, Recirculation, Product Improvement

**Using green packaging and labels:** The International Organization for Standardization (ISO) introduces the concept of eco-labels as follows: "Eco-label is an affirmation, indicating the environmental properties of a product or service. This service may take the form of a statement, symbol or chart on a product or package label, in product literature, in technical journals, in advertising or otherwise". The eco-label shows the extent to which a product's negative impact on the environment is minimized during all or one stage of the product lifecycle. In Vietnam, the green label

program called "Eco-label" has been implemented since 2009. According to the provisions of Vietnamese law, products granted eco-labels by organizations recognized by the State are products. Environmental friendliness. Establishments that produce and trade in environmentally friendly products will enjoy incentives and support as prescribed by law.



**Figure 2: Logo of Vietnam eco-label**  
(Source: Environmental Magazine)

**Increase the credibility of commitments:** Enterprises should not only commit to environmental protection, but also need to actually take action to turn those commitments into reality. In the era of information technology development, no information is absolutely confidential, so businesses should try to implement the set values, don't just say clichés, make customers lose trust and satisfaction. their loyalty to the business.

**Building a green distribution channel:** Building a green distribution channel is necessary because it clearly shows the efforts of enterprises in implementing green marketing activities at all stages. First, businesses need to choose distribution channels such as supermarkets and large commercial centers in the country because a large number of consumers often buy green goods at these locations. Businesses can also create a green distribution channel for themselves with this green chain of stores that will only sell items that are considered environmentally friendly. In addition, companies can coordinate with each other to build a common warehouse to save costs and facilitate the supply to these chain stores. From these common depots, shared means of transport will distribute to areas of need. This will make the most of the vehicle's carrying capacity and especially reduce CO2 emissions to the environment as well as save fuel.

**Concentrating resources for the marketing department to develop:** The concentration of resources for the marketing department should be

fully considered in all three aspects: marketing planning, marketing budget and training people. Regarding marketing planning, managers need to prepare for a long-term communication plan because changing consumer perception is not easy. In addition, in order to improve the effectiveness of green marketing activities, managers need to ensure the participation and unanimity of opinions between departments in the company with the marketing department's operational plans to "go green". from product, production, packaging, distribution, not just green appearance. Regarding the marketing budget, senior managers in the company should create conditions for Green Marketing to have the opportunity to be applied in practice, so that the business can receive the benefits arising from it. Regarding training people, the market changes frequently, forcing businesses to focus on training new knowledge and skills for their marketing team such as green marketing trends, online marketing tools trends. , Big Data digital data or social networks... Regularly carry out market research: Market research of enterprises also needs to work regularly to realize green consumption trends as quickly as possible to take the lead in applying Green Marketing, helping for businesses to understand the competitive situation in the market as well as the competitors' green marketing development moves, thus realizing the importance of green marketing in the development strategy, avoiding making short-sighted marketing mistakes. . Market research is also an effective tool for businesses to evaluate the effectiveness of green marketing activities in order to check the health status of the brand in general and especially the green brand. Since then, businesses have measures to improve and enhance the effectiveness of green marketing.

## VI. CONCLUSION AND DISCUSSION

### 6.1. Conclusion

The study analyzed the current status of green marketing application in Vietnam based on the analysis of some typical green marketing campaigns. From there, the author assesses the current status of this type of marketing in the current Vietnamese context to present opportunities and challenges for businesses in applying green marketing. On the basis of analysis and evaluation, the author makes predictions for the development trend of green marketing in Vietnam in the future and proposes some solutions for Vietnamese enterprises in catching up with this trend. position and develop green marketing in the coming time.

Due to the limited research time, the study has not yet synthesized general statistics on green

marketing in Vietnam, but only presented the current situation and assessment based on the analysis of outstanding campaigns. In addition, the author only used qualitative research methods and collected data without specific surveys or quantitative factors.

### 6.2. Discussion

In the longer term, the author will delve into the research and synthesize data on green marketing campaigns of businesses in Vietnam to have a better overview of this type of marketing and find more effective and practical solutions for businesses. In addition, the author will also study about the policies issued by the Vietnamese government and recommend some policies for the government to promote the development of green marketing in Vietnam.

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