

## Chapter 8

# Analyzing the Impact of Green Marketing Strategies on the Financial and Non-Financial Performance of Organizations: The Intellectual Capital Factor

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### ABSTRACT

*Green marketing strategies have the immense power of motivating both consumers and producers to get involved in saving the planet and, at the same time, to benefit from the potential of eco-friendly products while satisfying their needs. On one hand, this chapter reviews the theory on green marketing strategies, and on the other hand, it focuses on the manner in which organizations can obtain financial and non-financial performance with the aid of green marketing strategies mix. This study reports that intellectual capital factor plays a key role in discovering the optimum green marketing strategies mix, also placing natural capital among the notable capital factors that empower organizations' activities and strengthen their visibility on the marketplace. The quantitative and qualitative indicators that have been analyzed highlight the main economic, social, and environmental effects of business practices in Romania. The findings provide some interesting clues regarding the impact of intellectual capital and green marketing strategies on organizational performance.*

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## **INTRODUCTION**

Nowadays, people seem to become more and more concerned to improve their quality of life without compromising that of future generations and that is the reason why sustainable development within all nations' system represents a leading global concern. In addition, sustainability includes the idea of global society - based on respect for nature, standing for universal human rights, having in mind economic justice and striving for culture of peace, which means universally re-examining the countries policies on environmental protection, social responsibility and economic practice.

Green marketing - possibly the newest and most challenging form of marketing, is one of the most discussed and analyzed forms of marketing these days. Organizations, customers, governmental and state leaders are globally concerned about green marketing importance and potential, being extremely keen on discovering all the solutions and alternatives that green marketing might offer in terms of producing, promoting and recycling products that respect and preserve the environment.

However, as any other new discovery that comes to light at one moment or another, green marketing meets a few problems, such as: lack of confidence from organizations which are worried that their capacity of gaining profit and reaching the performance targets might be affected; lack of trust from consumers which are seeing some of the alternatives offered by green marketing as manipulative and, in some cases, even potentially harmful for their health; too much effort to replace conventional technologies and products with new ones.

This paper focuses mainly on the authors' perspective concerning the impact of green marketing strategies on both the financial and non-financial performance of organizations, with a particular emphasis on the place of intellectual capital factor among the key solutions for organizations worldwide. The authors show a great interest in their study in the "green movement" and "green practices" alongside other emerging forms of development such as Global Green Economy Index, green human resources and environmental management, green workforce, green intellectual capital, green initiatives, green marketing strategies, green performance indicators, green economy and business sustainability, green communities and smart cities, green banking, finance and accounting, having in mind at all times the imperative necessity to enhance peoples' awareness towards environmental protection, pro-environmental activities and green consciousness (The Global Green Economy Index™ (GGEI), 2018). In the same time, this scientific work addresses Romania's situation concerning business, environmental and human resources sustainability, making however valuable comparisons with the present international trends and evolutions in terms of environmental, political and social responsibility.

First of all, it should be stressed that this paper is structured as follows: the background section presents the role, importance and impact of organic marketing strategies on the financial and non - financial performance of organizations, with a particular interest in the implications of the intellectual capital factor, as well as revision studies of the main literature that are related to the interests of the authors; In addition, the present research contains methods for assessing and measuring the economic, environmental and social performance of intellectual capital in the context of sustainable development, which in turn highlights issues such as the importance of harmonious economic, environmental, and social development - a desideratum of today's sustainable business practices, the need to present and focus on sustainable development indicators for Romania, impacting on organizations' financial and non - financial performance, and the need to identify and consolidate all relevant indicators for measuring the social, economic and environmental impacts on financial and non - financial performance of organizations; moreover, the paper is keen to analyze and discover the aspects of the Romanian business sector with present and perspectives, given the Romanian organizations - opportunities and threats in troubled times; in addition, the study aims at reflecting the indicators that reflect the economic, social and environmental impact of the management of ecological human resources in Romania, with direct reference both to the indicators reflecting the ecological impact of ecological activities in Romania and to the synergy impact on the economy, the environment of attraction and use of "green methods" and "green practices"; at the end of this paper, the authors present several important and relevant research directions in the future as well as many important conclusions that enhance the importance of this subject as well as the economic, environmental and social aspects of environmental activity and activity, as well as green consumption opportunities and benefits.

Second of all, it should be noted that this paper has general objectives that come to emphasize the importance of analyzing the impact of green marketing strategies on the financial and non - financial performance of organizations and also to support the key part played by the intellectual capital factor in "going green" equation. In this context, the first general objective is, on the one hand, to highlight the implications of sustainability in enhancing the quality of life for families and communities, and, on the other hand, to distinguish the role of sustainable development in our society by focusing on the vital need to create and use environmental - friendly technologies and other related developments. In addition, the second general objective is to distinguish the impact of green marketing strategies on all parts of the society - individuals, business, communities, countries, governments and so on. Moreover, the third objective is to show that green marketing strategies represents an important

trigger for organizational profitability and performance when associated with green human resources and intellectual capital, being capable to deliver environmental responsible products, efficient and environmental - friendly solution for improving people's lives, and also to promote a healthy place to live and work.

Third of all, it should be acknowledged that this research has specific objectives that come to strengthen the need to conduct an analysis of the impact of green marketing strategies on the financial and non - financial performance of organizations, putting human resources and intellectual capital on top positions when addressing green options and clean solutions for achieving social corporate responsibility, sustainable development, environment and energy, as well as poverty and waste reduction. Under these circumstances, the first specific objective makes reference to organizational performance and the way in which the basics of organizational performance should be seen while tackling today's' sensible issues, such as environmental quality, sustainable development and lifestyle, and durable environmental policies and initiatives. In addition, the second specific objective conveys the crucial connections that exist between green marketing strategies and the financial and non - financial performance of organizations and indicates the necessity of reanalyzing the nations' growth model centered exclusively on profit so that it includes as well the following main elements: increase concern for natural resources, human health and security; growing awareness for the effects of changes in the global environment; promoting efforts to eliminate, reduce or avoid pollution at the source; emphasizing the need of organizations to dedicate themselves to reaching excellence in their business, in order to be capable to ensure public safety and health, as well as harmonious co - existence with nature. Moreover, the third specific objective addresses the substantial role played by intellectual capital when exploring the impact of green marketing strategies on the financial and non - financial performance of organizations. Furthermore, the fourth specific objective refers, on the one hand, to presenting the way in which Romania's leaders, government, businesses and public respond to environmental problems, and, on the other hand, to analyzing the manner in which both economic and environmental concerns will reach a reconciliation.

In this complex and new context, the study considers several questions as being extremely relevant for the authors' research process, such as:

- When was the concept of "sustainability" first mentioned and in what way the idea of "going green" made itself remarked at an international level?
- How important is in reality business sustainability and which are its benefits, challenges and constraints?
- Where does green marketing start and is it solely focused on the promotion or advertising of products with environmental characteristics?

- Do businesses find themselves in need for green marketing strategies in order to become sustainable and what should the green marketing mix based strategies include?
- Is the social, economic and environmental impact of the sustainable businesses activities as well as the green product consumption notable and relevant for the human life and for the environment, and are the researchers able to measure with the aid of specific indicators both the impact and the consumption?
- Can sustainable activities be regarded, on the long term, as a profitable line of work and does sustainable growth and care for the planet's future generations pay off?
- Will the younger generations find themselves capable to see new perspectives and seek new development opportunities in the extraordinary potential of green human resources, green human resources management and green intellectual capital - as intangible assets for organizations?

More generally, in the long - run, the authors reckon that the cost to countries' economic growth of taking now immediate steps and measures to ensure a sustainable environment with the efficient use of natural assets is likely to be smaller than the cost of not acting.

## **BACKGROUND**

Over the past decades, environmental, business and human resources sustainability has occupied the top positions of the international political agenda and has been regarded as a key driver for cleaner production through the development of green products, green labor through jobs focused on reducing carbon emissions, sustainable consumption through the successful green marketing strategies, sustainable innovation through (green) intellectual capital, and effective and powerful digital and communicational technologies through "smart cities" (National Science and Technology Council (NSTC), 2017).

In the same time, environmental, business and human resources sustainability was strongly associated with financial and marketplace success and has been seen as a major steer for corporate - social environmental performance through the development of a powerful sustainable companies culture, (green) human resource development through reliable principals of both sustainable human resources people and human resources decisions, and sustainable businesses competitiveness and long - term concern for their reputation through the organizations' abilities to attract and retain strong talent (United Nations Security Council, 2018).

Consequently, political leaders, governmental bodies, business managers and renowned scientists all over the globe are expressing, on a constant basis, their great worries and concerns towards the Planet's future and the next generations' evolution, especially due to the threats brought by global warming and the effects of climate change on our lives, such as: the deterioration of the oxygen level in our atmosphere; the increasing level of pollution due to the greenhouse gases (such as carbon dioxide by burning fossil fuels for energy); the rising level of seas and the oceans' waters temperature increase; the alarming droughts, the inexplicable wildfires, the more frequent storms, the severe flooding and the more intense heat waves which threaten people's way of life and communities, their crops, the water supplies, as well as the wildlife (Popescu, 2011a; Popescu, 2011b). So, climate change and climate crisis introduce new challenges regarding both humans and wild animals' survival which need to be addressed adequately and most urgently, which, in turn, lead to the following extremely pressing questions: "Is climate change an event in the future or humanity is dealing with it right now?", "What role will play innovative thinking in the climate change equation and will it be capable to lead to climate resilience, climate mitigation projects and "green profits"?", and the list might as well continue.

Mindful of their social, economic and environmental impact, organizations worldwide soon realized that sustainability and growing sustainable will not just represent other two components in the political discourses, new trends or well-disguised marketing strategies; becoming sustainable will be in fact a whole journey, with its ups and downs, which will push them to reorganize and reanalyze their business strategies and operations, will force them to seek input and advice from a diverse range of stakeholders, will pressure them to use the green human resources skills into the organizational business process management, and will determine them to change their management system by using a new body of knowledge (Popescu, C.R. Gh.; Banța, V.C., 2019).

Under the complex circumstances presented above and also under the constant pressure in which countries find themselves while thriving to provide a more sustainable, responsible and more balanced future, the authors have to ask themselves a fundamental question:

- Where do the world's largest economies stand when it comes to providing sustainable solutions and services for people, communities, environment, organizations, and companies all across the globe?

## **Green Marketing Strategies: What Does It Take to Drive Change, Improve Practice, and Create Efficient and Effective Solutions for Climate Management and Resilient Cities?**

The history of the “green movement” is far from being “brief” and for sure it is not recent: thus, the green movement has been going on for centuries and has evolved considerably since its early days. Even though, according to specialists, the conservation movement has European origins, the world’s leader in environmentalism is the United States of America - probably, on one hand, due the immigrants who came to the North American continent in the colonial era and, on the other hand, due to the natural habitat and the special ecosystem the immigrants encountered when they crossed the Atlantic. In the same time, firstly, it should be mentioned that the basic principles of sustainable forestry management exist since the medieval age and were known through Europe (more commonly in England, France and Germany), and, secondly, it should be acknowledged that in Asia biodynamic agricultural methods were currently used in raising crops and running farms (the spiritual worldview called “anthroposophy”) the very moment the farming communities were created (Clement, 2013; Steiner, 1995).

The green movement today is far more related to science and research rather than spiritualism as it was known in its early years (the “transcendentalist” movement avidly supported by Thomas Malthus, Ralph Waldo Emerson, Henry David Thoreau), as well as during the Industrial Revolution, the Conservation Movement (advocated and strongly promoted by John Muir, Theodore Roosevelt, Gifford Pinchot), or the Modern Green Movement (that started in the 20<sup>th</sup> century).

The green movement represents both a popular change in the plan or position for individuals or businesses, and a series of social, economic, political or ecological actions and events taking place over a given period of time that focus mainly on the following elements:

- Green agriculture, sustainable agriculture or organic farming that promotes environmental stewardship, consumption of product belonging to farm families and to small communities, innovative marketing and green practices (Popescu et al., 2017a; Popescu et al., 2017b);
- Green architecture and design, also known as “organic” architecture - a concept invented by Frank Lloyd Wright, that emphasizes the harmonization between human dwellings and natural world, focuses, on one hand, on buildings created with materials that did not needed considerable amounts of energy in order to be produced, and, on the other hand, on constructions that

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are matching perfectly the design of the environment where they are placed, reflecting culture continuity, concern for being ecological, as well as creative and idealistic (Frank Lloyd Wright Foundation, 2018);

- Green collar economy that considers that clean energy, on the one hand, and green economy, on the other hand, are the two major solutions to fiercely fight the devastating effects of both global warming (the greenhouse gas problems) and recession, offering individuals and communities viable alternatives, such as: creation of new “green” jobs, organic agriculture, hybrid cars, hybrid engines, solar panels, trees and urban gardens (Jons, 2008);
- Green consumer goods that were produced in a special way to protect the environment;
- Green consumers or green purchasers that are individuals concerned with being part of a greener lifestyle, committed to green environmental practices and to green businesses;
- Green economics - based on six main sectors, respectively renewable energy, green buildings, sustainable transport, water management, waste management and land management, that aims to reduce environmental, social and economic risks, scarcities, inequalities and disparities, promote sustainable development and green economic growth without affecting and degrading the environment, tackle the importance of direct valuation of intellectual and natural capital (Burkart, 2009);
- Green labor or green jobs that are keen on preserving and restoring the environment, which can be in traditional sectors, such as manufacturing or construction, or in new and emerging sectors such as energy efficiency or renewable energy, and that strive to improve both energy and raw materials efficiency, limit greenhouse emissions, minimize waste and pollution, protect and restore ecosystems, and also support adaptation to the effects of climate change (International Labour Organization, 2018);
- Green marketing focuses on promoting goods and services that are eco - friendly, sustainable, and with the lowest environmental impact, offering numerous advantages to business, such as, for example, access to new markets and competitive advantage;
- Green production that is environmentally harmless (Holban et al., 2017);
- Green technologies that are environment friendly, using energy and fuels in an efficient and renewable manner (Tociu et al., 2017).

It is our strong believe that probably one of the most recent and most challenging concepts brought to light from the list of terms stated above is green marketing. In the same manner, it should be stated that green marketing raises numerous doubts,



*Table 1. “Going Green” Movement: Key concepts and main characteristics*

Key Concepts	Main Characteristics
Green agriculture, sustainable agriculture or organic farming	Promotes environmental stewardship, consumption of product belonging to farm families and to small communities, innovative marketing and green practices (Popescu et al., 2017b).
Green architecture and design or “organic” architecture	Stresses harmonization between human dwellings and natural world, focuses, both on buildings designed with materials selected specially to protect the environment and on constructions that are matching perfectly the design of the environment (Frank Lloyd Wright Foundation, 2018).
Green collar economy	Emphasis that clean energy and green economy are solutions to devastating effects of both global warming and recession (Jons, 2008).
Green consumer goods	Produced in a special way to protect the environment.
Green consumers or green purchasers	Individuals focusing on greener lifestyle, committed to green environmental practices and to green businesses.
Green economics	Is based on six main sectors, respectively renewable energy, green buildings, sustainable transport, water management, waste management and land management (Burkart, 2009).
Green labor or green jobs	Are keen on preserving and restoring the environment (International Labour Organization, 2018).
Green marketing	Focuses on promoting goods and services that are eco - friendly, sustainable, and with the lowest environmental impact
Green production	Is environmentally harmless (Holban et al., 2017)?
Green technologies	Are environment friendly (Tociu et al., 2017).

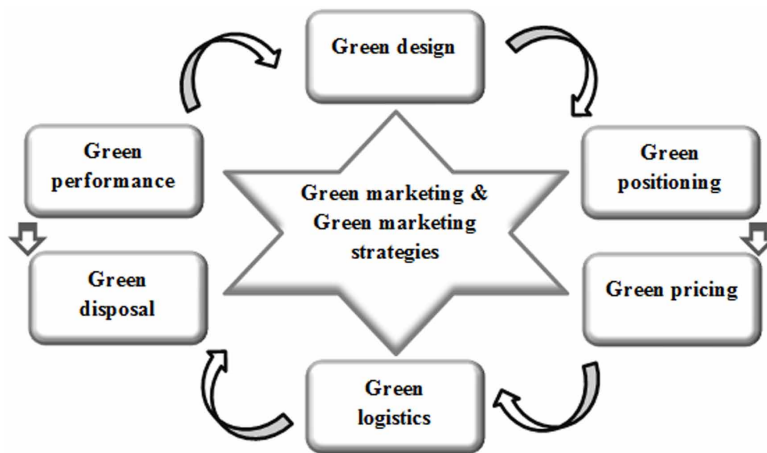
challenges and debates. In this turbulent context, specialists all over the world cannot help wondering whether green marketing will turn out to be in the end a winning strategy or a losing formula.

## **Green Marketing and Green Marketing Strategies: Human Synergistic and State of Diversity in Environmental Organizations**

Green marketing, also known as environmental marketing or ecological marketing - an eco - friendly approach to doing business, takes into consideration every aspect of an industry process, starting from creating the products, moving on to

### **Analyzing the Impact of Green Marketing Strategies**

*Figure 1. Green marketing strategies - understanding the marketplace and underlying values and beliefs*



packaging and ending with the public relations. In addition, it should be mentioned that green marketing takes into account the business process that is responsible for identification, anticipation and meeting the requirements of consumers and society, in a profitable and sustainable manner, being directly linked with social marketing and eco - businesses, and also that green marketing is a marketing technique that highlights a product due to ecological arguments.

Green marketing strategies are the ones helping the organizations to develop legitimate and effective green products and ways to promoting and selling these green products on the marketplace, but the key is for the companies to really be committed to sustainability in order to earn customers respect and loyalty over time. Among the most common forms of green marketing strategies the following ones are the most encountered ones are the ones presented below, namely: green design, green positioning, green pricing, green logistics, and green disposal. It should be further mentioned that, in order to create the right green marketing strategies mix, the authors strongly believe that a new form of green marketing should be added, respectively: green performance.

- Green Design, which implicates developing waste - free products (for example, Fuji Xerox's Green Wrap, from Germany) (European Commission, 2018);
- Green Positioning, which means being against animal testing, supporting community fair trade, activate self - esteem, defend human rights, and protect

the planet Earth (for example, The Body Shop from the United Kingdom) (The Body Shop, 2018);

- Green Pricing, which refers to companies able to show their consumers in which manner they are able to save key resources while using their products (for example, Tide Coldwater Clean - an effective stain remover detergent from Tide company which advertises that by using this product consumers will save up to 50% on energy bills by using cold water in the washing process and not hot water, or Mitsubishi i - MiEV - the car positioned at the very top of “green” vehicles due to its energy impact score) (Procter & Gamble, 2018; Mitsubishi Motors, 2018);
- Green Logistics, which stresses the fact that the product’s packaging needs also to be green, not just the product or service itself (for example, Amazon’s Frustration - Free Packaging Initiative which lead to Amazon’s Frustration - Free Packaging Certification, due to the fact that not only the packaging is waste - free, but also for opening the waste - free packaging the consumers do not need knives or cutters);
- Green Disposal, which means that the organizations need to take into consideration the whole products’ life cycle, including the disposal step (for example, the food recycling machines installed in January 2016 in Ang Mo Kio Blk 628 Market and TiongBahru Market - two cooked food centers launched by Singapore’s National Environmental Agency in order to decrease Singapore’s carbon emissions - the Pollutant Standards Index showing the worse figures ever and reaching a hazardous level between September and November 2015 for Singapore) (TodayOnline, 2017);
- Green Performance, which reflects the financial benefits obtained by organizations when creating a balance between customers and environmental needs, such as quality, convenience, affordability, transparency, sustainability, communication and promotion efforts, and communities future (for example, Starbucks was declared in 2018, for the 12<sup>th</sup> time in a row, one of the World’s Most Ethical Company by Ethisphere Institute, for being able to embody all the characteristics of green marketing strategy, for conducting its business in an ethical manner and for striving to be transparent, accountable, responsible, and performance driven but without making any compromises) (Starbucks, 2018).

## **Impact of Green Marketing Strategies on the Financial and Non-Financial Performance of Organizations: Are Individuals and Organizations Getting Any Recognition for Growing Green?**

Green marketing strategies are known to contribute to economic financial and non - financial performance, productivity growth, economic prosperity and environmental performance. Thus, green marketing strategies provide tremendous opportunities for business worldwide, such as improving the efficiency and efficacy with which they use raw materials, energy and water as well as showing a new path towards the benefits and advantages promised by new environmental technologies. However, green marketing strategies are facing a number of consistent challenges, such as the need to adapt the marketing mix to the new governmental long - term policies, or the necessity to make investments in low carbon and resource efficient technologies, in order to strengthen businesses resilience and constantly adapt to climate changes. So, under these circumstances, the specialist immediate attention shifts to two key questions:

- How do green marketing strategies influence the financial and non - financial performance of organizations?
- Are individuals and organizations getting any recognition for growing green? And can this recognition be transformed into a monetary equivalent?

Although the continued value growth of the Gross Domestic Product (GDP) and its association with population's wellbeing, prosperity, wealth, economic and social freedom, environmental protection, and healthy economic and social policies raised numerous controversies, specialists still believe that GDP represents one of the most appropriate economic indicators capable to reflect people's education, health, quality of life, the proper implementation of economic, social and environmental governmental policies, the scale and composition of a country's economy, the changes in technology that mostly affect the environment, decisions taken in terms of production and consumption.

## **Green Marketing Strategies: Impact, Strengths, Potential and Benefits for the Financial and Non-Financial Performance of Organizations**

Green marketing strategies are the ones offering countries the most needed business potential and benefits to facilitate the shift to a low carbon business process and production, as well as to a resource efficient growth trend, focusing on generating

the necessary level of public or private investment, the right mix technology and infrastructure, and the combination of different types of capital to produce goods and services. Green marketing strategies mix have the potential to generate a considerable impact on today's society, environment and economy, focusing on the business strengths, potential and benefits, being able, in the same time, to ensure the financial and non - financial performance of organizations. Moreover, the analysis of the green marketing strategies mix should start from the five types of capital needed to ensure sustainable development and sustainable socioeconomic system, namely: human capital, social capital, natural capital, produced capital, and financial capital.

**Type One:** The human capital - already deeply implemented in the economics field and highly debated there; however a relatively new concept for the financial and accounting field mainly refers to the employees' knowledge, experience and skills, acknowledging the fact that labor capital is not homogenous (Popescu, 2017). The economists Gary Becker and Theodore Shultz emphasized, in the 1960s, the fact that both training and education were two forms of investment that could add a significant input to businesses' productivity, justifying their statement by stressing the fact that once the physical capital became more and more important for individuals, the opportunity cost of learning and improving their skills declined (Popescu & Popescu, 2018a; Popescu & Popescu, 2018b). Moreover, the concept of human capital was introduced in the financial and accounting field (for example, in corporate finance) where it is part of the intellectual capital.

**Type Two:** The social capital is a complex concept that was first defined as tangible assets that are encountered on a daily basis in individuals' lives, namely "goodwill", friendship, "sympathy", the social unity that exists between people and their families (Hanifan, 1916). The Organization for Economic Co - operation and Development (OECD) defines social capital as the network system of individuals' norms, values, understandings and beliefs that are capable to unite them and, in the same time, help them communicate (Organization for Economic Co - operation and Development (OECD), 2001). However, generally speaking, social capital might be regarded as shared values, beliefs and understandings between individuals that are part of a community (family, friends) or a working team (colleagues).

**Type Three:** The natural capital is mainly represented by elements vital to life, such as healthy soil, an abundance of raw materials, fresh water and fresh air. Green marketing strategies - developed to conserve this capital and ensure that it remains viable for future generations, takes into account the legislation that covers areas such as combating climate change, chemicals, industrial emissions and waste in order to help preserve and protect the natural capital,

and have as a starting point the European Commission's framework directive on drinking water, on marine, air quality, inhabitants and birds directives, which specifically protecting the wildlife and the space it needs to survive (European Commission, 2015). In addition, green marketing strategies focus on biodiversity and the eliminating the threats facing the seas, soils and forests.

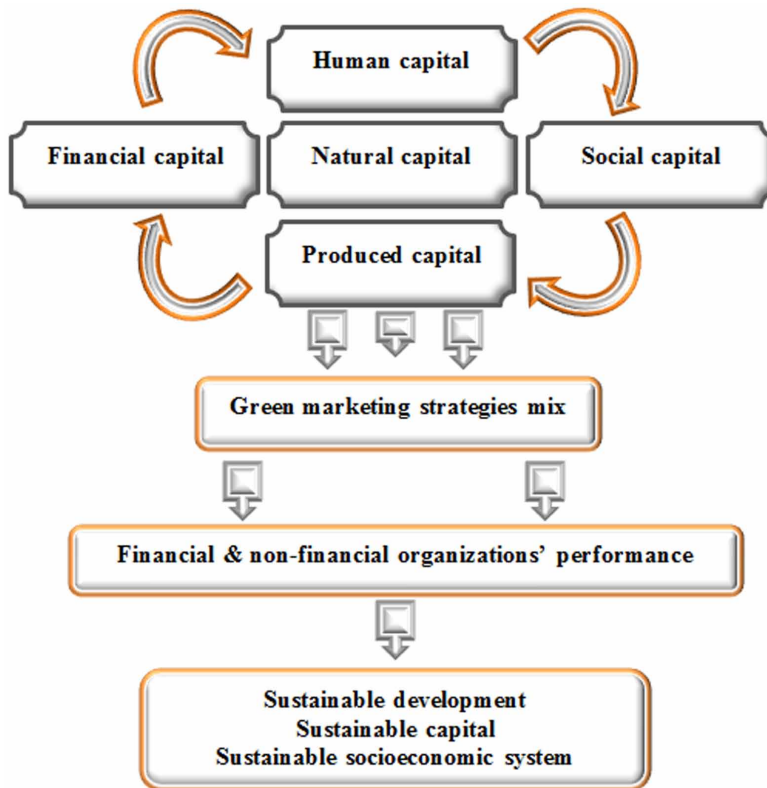
**Type Four:** The physical, produced or manufactured capital - also known as "man made capital", comprises tools, technology, machines, buildings, infrastructure, and refers to the human - created and production - oriented equipment, tools and machineries. In terms of green marketing strategies, the produced capital is important for ensuring the businesses' sustainable development in several manners, such as: the efficient and effective use of manufactured capital enables the organization to be more flexible and more innovative when it comes to producing goods and services on the marketplace; the sustainable use of manufactured capital helps the organization to be more environmentally orientated while using resources, offering the employees the chance to be more creative and more centered on the benefits brought by intellectual resources (Science for Environment Policy, 2017).

**Type Five:** The financial capital - symbolized by shares, bonds and banknotes, has no real value considered by itself (unlike the other forms of capital discussed in the lines above), however it empowers the other forms of capital (human capital, social capital, natural capital, and produced capital) to be owned, bought, sold, and traded on the marketplace (Science for Environment Policy, 2017).

The organizations must use the green marketing strategies in a responsible manner, so that all the capital assets are managed sustainably by creating a balance between the economy, the environment and the social factors. Moreover, the use of green marketing strategies helps entities to obtain numerous benefits represented by financial and non - financial performance of organizations:

- The first category of benefits is directly linked with human capital, namely:
  - In order to preserve the human capital and to ensure its best use by green marketing strategies, the most important aspect refers to guarantee the highest health standards, which refers to:
    - Creating goods and services that satisfy the health requirements.
    - Promoting goods and services that satisfy the health requirements.
  - In order to preserve the human capital and to ensure its best use by green marketing strategies, individuals should be encouraged act creatively and be innovative.

*Figure 2. The five types of capital needed to ensure sustainable development and sustainable socioeconomic system*



- The second category of benefits is directly linked with social capital, namely:
  - In order to preserve the social capital and to ensure an adequate law framework, which refers to:
    - Creating a trusted, accessible and strong system of governance and justice, that is able to promoted corporate social responsibility and good governance.
    - Promoting a trusted, accessible and strong system of governance and justice, that is able to promoted corporate social responsibility and good governance.
  - Preserving the social capital can only be successfully managed only by promoting individuals' development, natural resources' protection, and safe working environments.
  - The third category of benefits is directly linked with natural capital, namely:

- In order to preserve the natural capital the elements below need to be distinguished:
  - In the extraction and use process of raw materials, minerals, oil (and other natural resources) the quantity involved should be chosen in accordance to the environment's capacity to recycle the potential effects on the planet.
  - In the extraction and use process of raw materials, minerals, oil (and other natural resources) the quantity involved should be optimally chosen in order to maintain a balance between the ecological - biological systems and productivity.
- Preserving the natural capital can only be successfully managed only by promoting safe environments, safe and resilient communities.
- The fourth category of benefits is directly linked with physical, produced or manufactured capital, case in which this particular form of capital can be sustainable with a minimum use of natural resources and a maximum use of infrastructure, technologies, businesses processes, human innovation, abilities, skills, potential and intellectual capital.
- The fifth category of benefits is directly linked with financial capital which focuses on providing a numeric value to all the other forms of capital, namely human capital, social capital, natural capital, and produced capital, which implicates creating the right combination of green marketing strategies. In the same context, it should be mentioned that according to the Social Capital Index (Organization for Economic Co - operation and Development (OECD), 2018), Produced Capital Index (The International Institute for Sustainable Development (ISD), 2016), as well as Natural Capital Index (National Institute for Public Health and the Environment (NIPHE), 2002) all these specific types of capital have a strong influence on the financial and non - financial performance of organizations.

### **Intellectual Capital and Natural Capital: Will “Unleashing” and “Combining” These Two Major Forces Lead to Performance, Excellence and an Adequate Social-Ecological-Environmental Interface and Model?**

Nowadays, acknowledging and understanding the role and importance of knowledge assets in business performance processes proves to be crucial. In the same time, accounting, managerial and economics professionals are presenting new ways of exploring, evaluating, measuring and reporting the value of intellectual capital. Moreover, Human Resource Development (HRD) practitioners are establishing new methods of assessing the value of knowledge assets in order to show knowledge



asset's contribution at the organizations level. The purpose of this section is to stress the importance of evaluating knowledge assets, and, in particular, the role played by intellectual capital and natural capital and their impact on business performance. However, this section emphasizes the fact that some of the methods used in measuring the value of intellectual capital and natural capital may be also seen as subjective, and additional rationale and further methods should be used in order to double check the findings and consider them as being relevant for the organization's performance as well as its future development and evolution. That is the reason why the elements presented reflect also emerging ideas about the manner in which organizations may measure the value of individual's education, training and personal development, but will add the limitations that might occur in this process.

### **Methods of Evaluation and Measurement of the Economic, Environmental and Social Performances of Green Marketing Strategies in the Context of Sustainable Development**

Both intellectual capital and natural capital are two defining factors for green marketing strategies, positioning themselves at the very basis of the green marketing strategies mix. Moreover, intellectual capital and natural capital combined are helping organizations to obtain a competitive advantage due to the fact that knowledge is a unique, irreproducible and limited in time intangible asset and a resource that enables prosperity for the organizations, while the environment sustains the organizations' performance, increases the organizations' efficiency and effectiveness when used properly, and ensures the businesses continuity in time.

In order to support the statements presented above, the following aspects need to be considered:

**Step 1:** When addressing the defining characteristics of green marketing strategies mix, both intellectual capital and natural capital should be regarded as an integrated whole, not as standalone issues, because only in this manner the ambitious economic, financial, environmental and social organizational goals can be reached.

**Step 2:** When creating and analyzing the organizations' green marketing strategies mix, both intellectual capital and natural capital should be seen through multiple perspectives, such as: first of all, intellectual capital may be defined as having four components, which are human capital - which is mostly based on employees' knowledge, experience, talents, skills and working attributes, structural capital - which is based on the knowledge used by employees daily, customer capital - which refers to the relationships that are formed between the organization and the clients, and competitor capital - which embodies the organizations' strengths and advantages

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*Table 2. Intellectual capital and natural capital: two major forces leading to performance, excellence and a social - ecological - environmental model*

Intellectual Capital	Natural Capital
<ul style="list-style-type: none"> <li>• Exists, relates and depends on people on - going existence (Sveiby, 1997).</li> </ul>	<ul style="list-style-type: none"> <li>• Is represented by air, water, soil, ecosystems that support all forms of life and is considered the very essence of life, the essential basis of economic growth and the defining point for generating long - term productivity (United Nations Conference on Environment and Development (UNCED), 1992).</li> </ul>
<ul style="list-style-type: none"> <li>• Includes trade secrets, trademarks, business practices, business processes developed within the organizations, employees' knowledge and creativity, individuals' abilities to work in an effective manner, employees' relationships with the company's suppliers and clients (Stewart, 1997).</li> </ul>	<ul style="list-style-type: none"> <li>• Defines Earth's natural assets, focusing on strong ecosystem attributes and characteristics that enable human life and activity (UNEP Finance Initiative, 2012).</li> </ul>
<ul style="list-style-type: none"> <li>• Shows the value of human knowledge as a financial asset (Lev, 2001).</li> </ul>	<ul style="list-style-type: none"> <li>• Can be supported and promoted through sustainable assets' management (Bailey, 2013).</li> </ul>
<ul style="list-style-type: none"> <li>• Creates a strong bond with organizational performance and makes the difference between accounting - based and market - based performance, being an important efficiency, efficacy and performance trigger for both of them (Serenko &amp; Bontis, 2013).</li> </ul>	<ul style="list-style-type: none"> <li>• Can be defined as the "world's stocks of natural assets which include geology, soil, air and living things". Moreover, from natural capital humans create a wide range of services called "ecosystem services" which make human life possible (World Forum of Natural Capital, 2013).</li> </ul>
<ul style="list-style-type: none"> <li>• It is a key driver for competitive advantages in organizations (Popescu, 2018).</li> </ul>	<ul style="list-style-type: none"> <li>• Represents a "global asset", having an enormous value for both present and future generations (Masera &amp; Faaij, 2014).</li> </ul>
<ul style="list-style-type: none"> <li>• Has an important value in the business process, helping the resources estimations and allocations in organizations (Organization for Economic Co - operation and Development (OECD), 2018).</li> </ul>	<ul style="list-style-type: none"> <li>• Refers to the Earth's biological resources which are vital for human's activities, economic development, and social accomplishments and well - being (Convention on Biological Diversity, 2018).</li> </ul>

by comparison with other companies (Bhatti et al., 2011; Bhatti & Zaheer, 2014); second of all, intellectual capital may be described as having three dimensions, which are human capital - based on human resources, structural capital - based on organizations, and relational capital - based on organizations' relationships with the natural capital (the environment) (Jardon & Dasilva, 2017); third of all, intellectual capital is the organization's set of knowledge assets that significantly contribute to the organizations' competitive position by providing added value to stakeholders (Marr & Schiuma, 2001); fourth of all, natural capital - represented by minerals, biodiversity, clean air, land, water and ecosystem services, has two major components, namely the abiotic natural capital referring to subsoil assets and biotic natural capital addressing the ecosystem services (United Nations Conference on Environment and Development (UNCED), 1992).

*Table 3. Intellectual capital and natural capital: ways of measuring organizations' performance*

Measuring Organizations' Performance	Influences On Green Marketing Strategies Mix
Consumers' purchase intentions:	Green and ecological purchasing consumer interest are based on the influences of four key trigger factors: environmental knowledge, environmental concern, attitudes, and social influences; however collectivism and individualism individual patterns make a significant difference when it comes to consumers' purchase intentions(Chen, 2013).
	Consumer characteristics and purchasing habits are analyzed in the same time with social influences, on the basis of ecological consumer interests and buying decisions (Wang, 2014).
	Impact of brand image and service quality on consumer purchase intention, with normative and informative susceptibility having indirect effect on consumer purchase intention, and a study of retail store in Pakistan (Arslan & Zaman, 2014).
The five - levels plan of evaluating the impact of green marketing strategies mix:	Integrating "social and environmental goals into marketing programs" and generating a five - levels plan - opposition, preservation, socialization, collaboration, and integration (Louppe, 2006).
	Level no. 1: Opposition: governmental leaders and managers do not feel that there are any concerns regarding the environment.
	Level no. 2: Preservation: organizations focus on environmental protection and feel responsible for the nature and the assurance of sustainable development.
	Level no. 3: Socialization: organizations become involved in environmental, cultural and humanitarian activities, acting as volunteers in social and environmental projects.
	Level no. 4: Collaboration: organizations are responsible socially and environmentally (corporate social responsibility).
	Level no. 5: Integration: organizations are striving to gain customers interested in eco - friendly products and services, and make the creation, design and selling process of eco - friendly products and services a goal for being more competitive in the future.

**Step 3:** When measuring the organizations' performance generated by the green marketing strategies mix, both intellectual capital and natural capital should be seen through multiple perspectives on the one hand, a possible manner to evaluate the impact of green marketing strategies mix focuses on consumers'

purchase intentions (Chen, 2013; Wang, 2014; Arslan & Zaman, 2014), and, on the other hand, another possible way to evaluate the impact of green marketing strategies mix is by integrating “social and environmental goals into marketing programs” and generating a five - levels plan - opposition, preservation, socialization, collaboration, and integration (Louppe, 2006).

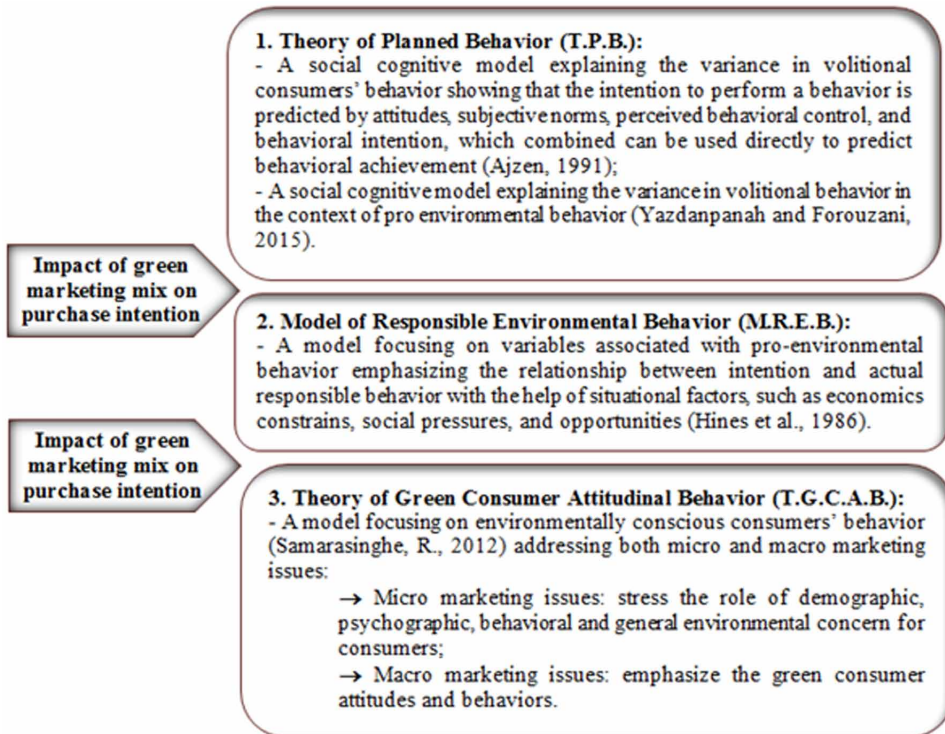
Green consumer attitudinal behavior is extremely difficult to be assessed especially when analyzing the impact of green marketing mix on purchase intentions. At an international level, there are numerous models and frameworks as well as theories attempting to describe and to measure the impact of green marketing mix on green consumers’ purchase intentions. Among these theories and models could be mentioned the following ones: the Theory of Reasoned Action (TRA) (Ajzen & Fishbein, 1980), the Theory of Planned Behavior (TPB) (Ajzen, 1991), and the Model of Responsible Behavior (Hines et al., 1986).

## **CASE STUDY**

### **Romania: One of the Oldest Sustainable Rural Civilizations in Europe; Present and Perspectives for a Country With a Long Tradition as a Sustainable and Resilient Society**

After closely and extensively examining some previous works on challenging subjects such as green marketing and green marketing strategies mix, financial and non - financial performance, as well as the impact of several forms of capital (with a particular interest in natural and intellectual capital) on the economic, social and environmental fields, the authors’ objective is to bring a new contribution to the literature by presenting the case of Romania - one of the oldest sustainable rural civilizations in Europe and a country with a long tradition as a sustainable and resilient society. As far as the authors know, no previous research has investigated and analyzed the impact of green marketing strategies on the financial and non - financial performance of Romanian organizations, with a keen focus on the intellectual and natural capital factors. Moreover, according to the authors’ knowledge, there is no previous research using the same approach, even though there has been previous evidence of the impact of green marketing strategies on the financial and non - financial performance of organizations, as well as the influences of several forms of capitals on organizational performances. Furthermore, it should be noted that by

*Figure 3. Theories and models of green consumers' behavior and the impact of green marketing mix on purchase intentions*



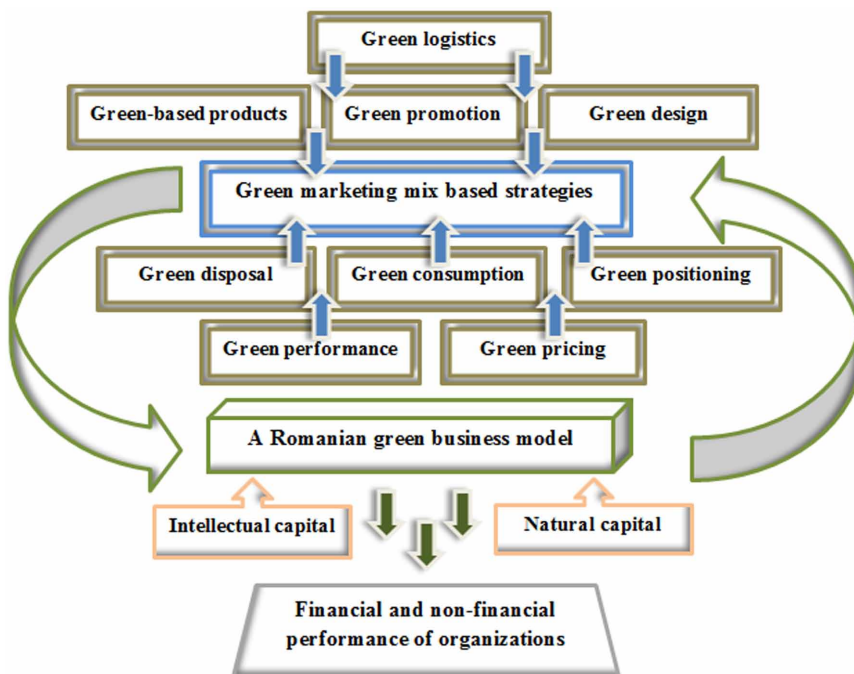
addressing green marketing strategies, green profits and green performance and by focusing on the benefits brought by combining the capital factors into this mix (and especially the intellectual and the natural capital), Romania will be able to position among the leading European countries concern with sustainable development problems (Georgescu - Roegen, 1971).

### **An Inclusive Model for Romania: Showing the Impact of Green Marketing Strategies on the Financial and Non-Financial Performance of Organizations, Centered on Intellectual Capital and Natural Capital**

The solution proposed here addresses an inclusive model for Romania showing the impact of green marketing strategies on the financial and non - financial performance of organizations, centered on intellectual capital and natural capital.

### Analyzing the Impact of Green Marketing Strategies

Figure 4. An inclusive model for Romania showing the impact of green marketing strategies on the financial and non - financial performance of organizations, centered on intellectual capital and natural capital



This model is a good solution for this current analysis, due to the fact that is as close to the real system as possible, the description is realistic enough and can be easily used since organizations' today are keen on intellectual capital benefits. In the same time, this model enables organizations and society to understand how the attributes of green marketing strategies may boost job enrichment and could contribute to financial and non - financial performance when combined with intellectual and natural capital.

## SOLUTIONS AND RECOMMENDATIONS

Green marketing strategies play a significant role on financial and non - financial performance of organizations, especially when combined with the capital factors' potential and particularly when valuing the immense benefits brought by intellectual and natural capital factors. In the same time, green marketing strategies have a central role in improving the quality of life in society, both at community and individual

level, by creating vital products, places of work and prosperity. Moreover, green marketing strategies may also be considered a source of innovation and growth, and a booster factor for the organizations' credibility. However, unfair competition, economic growth based on seizing resources by any means, lack of confidence of staff in organizations, lack of consideration for security conditions, workplace safety and the rights of employees, are all elements directly harming the economic - social - environmental balance of a country or region. Among the possible solutions and recommendations, the following ones should be taken into consideration:

- Measures that need to be taken into consideration by the business environment: The adaptation of international standards of compliance and their accessibility at all levels for decision makers, not only for top management, but also for responsible structures company compliance, in order to implement green marketing strategies; the development of the activities within the limits of the provisions of a functional and personal system ethics and compliance management; the implementation of private and public - interest warning lines at the level of all organizations in order to report the situations in which green marketing strategies are not respected; the increase in the transparency of annual reporting on business activity and the stages of implementation and functionality of green marketing strategies.
- Measures that need to be taken into consideration by public authorities: Implementing an effective punishment system for the organizations that do not respect the economic - social - environmental practices and balance; unifying and streamlining the legislation and obligations applicable to the businesses environmental tasks; ensuring the stability of the legal climate applicable to the business environment; making exchanges of best practices at an international level; the organization of regular public consultations between representatives of the public sector and the environmental sector with the businesses' representatives on the impacting of economic activities on the society and the environment; creating public databases of in which the economic, social and environmental issues to be addressed.
- Measures that need to be taken into consideration by citizens and society: Monitoring how the implementation of management systems takes place in terms of green marketing strategies, ethics and compliance; monitoring the way in which organizations conduct their business and alert the public authorities about the uncertified practices; making and publishing company rankings in terms of business ethics and green marketing strategies implementation stages; trying to buy products and services from companies with a reputation to be integral, to act ethically and responsibly towards the environment and the society.

## **FUTURE RESEARCH DIRECTIONS**

The future analysis of the impact of green marketing strategies should not only focus on the financial and non - financial performance of organizations or the forms of capital with a great potential to enhance the results generated by the green marketing strategies mix, it should take into consideration sensible aspects such as: the potential costs of fully implementing the green marketing strategies in organization; the national and international legislation of fully implementing the green marketing strategies in organization; the connections with agrarian economy and rural development and especially the sustainable development of rural areas; social factors in the local economy; green energy as sustainability factor and knowledge based management strategies for establishing and capitalizing the competitive advantages of companies; innovation and competitiveness through international know - how transfer, as well as effective living systems and approaches.

## **CONCLUSION**

To sum up, our work is centered on reviewing, exploring and examining the impact of green marketing strategies on financial and non - financial performance of organizations, with accent on the distinctive role played by the intellectual capital factor, but with a strong emphasis on the essential part played by the natural capital factor.

Firstly, this thesis documents several key contributions made to the economic, social and environmental fields, by reputed researchers and well - known specialists, who stressed the fact that the era previously started by the new economy or knowledge based economy was naturally followed by the “green movement” stage, which managed to change at some extent the already existing values of human kind and recreated the link with nature, natural preservation, ecological awareness and concern for the future generations and Earth’s life.

Secondly, this thesis has made a number of significant contributions to the economic field. The work presents the immense potential of green marketing strategies and green marketing strategies mix for economic, social and environmental purposes, however underlining the fact that by properly combining the five types of capital (human capital, social capital, natural capital, produced capital, and financial capital) green marketing strategies mix may only become stronger and offer far more financial and non - financial benefits to organizations world - wide. Moreover, this study outlines the fact that among the most common forms of green marketing strategies



green design, green positioning, green pricing, green logistics, and green disposal are the most encountered ones. However, the authors emphasize the belief according to which in order to create the right green marketing strategies mix a new form of green marketing should be added, namely green performance. Under these given circumstances, the study offered significant arguments to strengthen the fact that the elements distinguishing the “green movement” will not be complete without key components such as “green money”, “green profit”, “green accounting”, and “green performance”. Furthermore, the authors explain that in order to develop adaptive strategies to global warming, and to be able assist humans, animal and plant species, endangered ecosystems, regions, nations in order to adjust to the effects of global warming, using the optimum green marketing strategies mix is a must, which will in turn require all the positive implications brought by introducing the benefits brought by the five types of capital (human capital, social capital, natural capital, produced capital, and financial capital).

Thirdly, according to the authors of this scientific paper, intellectual and natural capitals give a significant advantage to any organization and in particular to the one that is already tackling the green marketing strategies mix. In this respect, it should be stated that a significantly profound challenge is to identify the natural environmental dynamics in contrast to environmental changes when businesses are becoming more and more aware of their influences on the economy, society and environment.

Fourthly, the article offers an example of good practice by choosing to present the advantages and practicability of combining intellectual and natural capitals with organizations green marketing strategies in the case of Romania - a country which currently strives to become a circular economy, on one hand, in order to respect the EU rules and regulations, and on the other hand, due to the fact that it already imposed to itself to center on people’s benefits and natural systems’ survival. Considerable progress has been made in the case of Romania, however financial and non - financial performance and excellence for its organizations will still occupy a sensible position on the leaders and managers agenda. Our investigations into this area are still ongoing, however it is our strong belief that the elimination of pollution and toxicants in the air, water, soil, and buildings, as well as preservation of biodiversity and protection of endangered species, combined with conservation and sustainable use of resources (such as, water, energy, raw materials, land, natural resources, and air), targeting sustainable and less polluting waste management and waste reduction, will only prove to be beneficial to organizations’ performance as a whole and to organizations’ future goals and perspectives.

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## KEY TERMS AND DEFINITIONS

**Corporate Social Responsibility:** It is also known also as corporate citizenship, is a concept that attracted by far a lot of attention in the last years due to its appealing nature as well as its intriguing implications, and represents a self-regulating business model that enables companies to be socially accountable to their customers, public, communities, stakeholders, governments, and state by showing that they are conscious at all times about the manner in which their activities affect the economy, the society, and the environment.

**Green (National) Accounting:** It is a concept that raises far too much confusion, unreasonably far too many disagreements and way too many controversies, emphasizing a new system of sustainable accounting that enables the calculation of income for a country by taking into consideration the economic damage in the natural resource base of an economy, serving numerous purposes, such as the welfare equivalent income, sustainable income, net social profit and being linked to Green Net National Product (“Green NNP”) as well as to “greener” national accounting aggregates - namely, “genuine savings” and “Eco-Domestic Product.”

**Global Green Economy Index:** It was launched in 2010 and was then the first green economy index, measuring by both qualitative and quantitative methods the green economy performance of a significant number of countries and the way in which specialists assess performance (for example, in 2018 it focused on 130 countries all around the globe), targeting the following four dimensions: leadership and climate change, efficiency sectors, markets and investment, and the environment.

**Green Human Resources Management:** It is, in essence, one of the healthiest—if not the healthiest—organizational strategy for the future, which refers to the organizations’ sustainable use of human resources management values, philosophies, policies and practices aimed to promote and ensure that all the existing business resources are eco-friendly; there are two main directions, on the one hand, a direction targeting environmentally friendly human resources practices, and, on the other hand, a direction centered on the preservation of knowledge capital.

**Green Marketing:** It is presumably one of the newest, most challenging and highly spoken off forms of marketing these days, which mainly refers to the activity in which the production, promotion, advertisement and recycle of environmentally - friendly products takes place, having however a much larger acceptance among specialists according to the American Marketing Association due to three possible ways to be defined, respectively: in terms of sales, social marketing implications and the environment.

**Green Marketing Strategy:** It is an essential requirement when activating in an environmentally friendly organization and takes into consideration two major perspectives: the first one aims to determine the importance of the green consumer



segment for the organization, and the second one endeavors to achieve weather the organization will acquire a different position on the marketplace once associated with sustainable environment and lifestyle, green products, energy efficient, renewable, and sustainable resources.

**Green Performance Management:** It links the environmental concerns of the organizations (the issues related to the “green wave”, the integrated management performance) to the general organizational process by which employees are enhancing their professional skills aiming to achieve the organizational values, goals and objectives in an optimum manner.

**Intellectual Capital:** It is one of the most delicate, engaging, cunning and volatile concept available in today’s modern society, referring in the same time or separately (depending on the circumstances) to the influence of non-material factors on the economy or to the intangible assets and factors of the organizational work, addressing a new vision for competing with the future for the organizations – far from the traditional one, stressing the importance of individuals, enterprises, institutions, communities, countries hidden potential and values on the society, the economy and the environment capable to cultivate creativity and wellbeing.

**Sustainable Development Progress Goals and Model:** It addresses a new set of challenges and targets for countries worldwide that turns out to be focused on more inclusive concerns and visions, such as end poverty in all its forms everywhere in the world; end hunger with the aid of improved nutrition, sustainable agriculture, and food security; promote wellbeing and ensure a sane life for all individuals; ensure availability and sustainable management of water and sanitation for all individuals; ensure access to affordable and sustainable forms of energy for all; promote sustainable economic growth and sustainable industrialization by fostering innovation; and make communities inclusive, safe, and sustainable.

**Sustainable Organizational Performance:** It represents a more integrated way into the consciousness of corporate organizational responsibility, learning and development of making profit and being efficient on the marketplace, which is designed to support long-term sustainable organizational goals and outcomes by balancing people, the state of wellbeing, prosperity, and the planet.