

“AN INVESTIGATION OF GREEN MARKETING OPPORTUNITIES AT BOS ICE TEA”

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,

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I, Adrian Ciesielski, hereby declare that this research project and dissertation is my own work and that all resources are acknowledged appropriately. Furthermore, this thesis has not been submitted for the pursuit of an occupation in the business addressed.

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## ABSTRACT

The research addresses the marketing activities of BOS Ice Tea, a South African company, and whether they are reflective and grounded within their marketing activities. By analysing public data and interviewing the founding partners, Richard Bowsher and Grant Rushmere, the findings were compared against the marketing paradigms of Ottoman (1999) and the green marketing practices of Gittell et al. (2012). It was determined that the company engages in green activities, but does not communicate them clearly. Further, where the company did promote organic rooibos and sustainability, their actions were not reflective of these behaviours from an academic point of view. Thus, there was the potential for green washing. The research concludes with suggestions for a 4P's green marketing framework, and comments on areas that need clarity.

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# CHAPTER 1

## INTRODUCTION

### **1.1 Chapter overview**

Companies have always wanted to increase both their market share and profits. More recently, businesses have also come to realise that there is not only a potential to increase revenue, but also a competitive advantage through being environmentally responsible (murphy, 2005). As a result, some companies attempt to refine their manufacturing (Ottoman, 1998), marketing (Kotler and Kotler, 2012), and product usage to be either completely environmentally friendly (Kotler and Kotler, 2012; Ottoman, 1998), or to at least curb their effects on the Earth (Peattie, 1995).

There is, however, a problem. One that has increasingly become more challenging than once expected. Some companies have abused the movement to being environmentally friendly to sell their product i.e. they are being deceitful in their marketing messages (Laufer, 2003; Odendahl, 2008; Peattie and Crane, 2005). As a result, consumers are becoming less trustworthy of labels that claim to be sustainable.

This chapter introduces the research problem, company in question, the importance and significance of rooibos, the importance of why the research could be of benefit to the field of green marketing, and how to study the research objectives.

### **1.2 Problem statement**

BOS Ice Tea is a company that claims to have organic rooibos as an ingredient within its product (BOS 2014a, 2014c). Their marketing messages also claim that they are a sustainable company (BOS, 2014a, 2014b, 2014c; Bosdesigner, 2015; Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Design Indaba, 2015; Facebook, 2015; Food Review, 2011; Instagram, 2015; Klipopmekaar, 2015a, 2015b; Miista, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011; Twitter, 2015). The extent to which this is true is the basis of this report. What are their marketing messages portraying, how true are their statements, and could there be a better way to do so?

This research was inspired by the ethics behind sustainability (McNall, Hershauer, and Basile, 2011), and the impact it has on marketing consumer goods (Gittell, Manusson, and Merenda, 2012). The rise in the concept of green washing was also of particular interest (Laufer, 2003; Odendahl, 2008; Peattie and Crane, 2005). Considering that a local company promoted organic rooibos on their cans, and even planted trees' for every 2000 cans sold annually (BOS, 2014c), the issue is raised of how true their statements are.

### **1.3 BOS Ice Tea**

BOS Ice Tea, a South African company (BOS, 2014c), produces various flavoured rooibos based ice teas (BOS Ice Tea), and is currently operating in seven countries across the world (Rushmere, 2015). Established in 2008 the company's founders, Richard Bowsher and Grant Rushmere, met in Cape Town and launched BOS Ice Tea producing their first can commercially in 2010 (Rolando, 2011).

The company has grown by 8% annually, showing more growth than the entire energy drink market (4% growth), by 2011 it was sold in 1200 stores in South Africa alone (BOS, 2014c; Rolando, 2011). With investors like Sir Alex Ferguson (former Manchester United soccer manager) and Invenfin (a South African investment firm only investing in sustainable business values), the company has a lot of promise both locally and internationally (Leshilo, 2014; Rolando, 2011; Rushmere, 2015; Silicon Cape, 2011). This is further complimented by the numerous awards and accolades it has received, and its ambitious end goal to be the biggest ice tea brand globally (Bowsher, 2015; Food Review, 2011, p. 14; Rushmere, 2015).

#### *1.3.1 BOS Ice Tea's marketing*

This section looks at the can design, marketing techniques, strategies, and some of the initiatives the company has embarked on.

Globally the product has become favourable due to its organic rooibos, approach to farming techniques, associated health benefits, and branding appeal (BOS, 2014c; Rolando, 2011). In addition, the product has a spectrum of flavours and uses natural and ancient medicinal ingredients across its ranges (BOS, 2014c; Rolando, 2011).

### *1.3.1.1 Can Design*

The image on the can illustrates the potent symbol of Africa; the lion, as is showcased on bright backgrounds signifying African landscapes, flavours of the brand, and the strength of its people (Cape Town Magazine, 2015; Design Indaba, 2015; Leshilo, 2014; Miista, 2015). The brightest star in the landscape, Sirius, is positioned on top of it all to highlight direction and boldness (Cape Town Magazine, 2015; The Die Line, 2011). Further, the red colouring of the brand is also done purposely as it, placed on the backdrop of the bright acid colours of BOS Ice Tea flavours, makes the product both stand out and attempts to make the drink savvier and appealing (Cape Town Magazine, 2015; The Die Line, 2011). The design of the can also highlights that the product is organic, colorant free, preservative free (BOS, 2014a), and promotes the recycling of the packaging as well (Leshilo, 2014).

It is said that the can is designed to capture the energy, colour, and spirit that is South Africa (Cape Town Magazine, 2015; Leshilo, 2014). As Grant Rushmere, the company's founding partner, has been quoted to say, "It is a little crazy and a little off centre" (BOS, 2014c; Leshilo, 2014; Rolando, 2011). The designer, Peet Pienaar (Miista, 2015), is a co-founder of the design studio, publisher of the multi-award winning Afro magazine, runs a design festival known as Toffie Pop Cultural Festival, and has been sought after by many companies to do graphic design (Cape town Magazine, 2015; Design Indaba, 2015; Leshilo, 2014). He chose to work on the product, as the brand itself was something bigger than any usual company was, and it was South African - a heritage he is proud of (Design Indaba, 2015).

### *1.3.1.2 Marketing techniques*

The company relies on two forms of marketing techniques, that of creative intervention and legacy marketing (Rolando, 2011; Rushmere, 2015).

Creative intervention, according to the marketing manager (as cited in Rolando, 2011), creates unique experiences at both events, and with consumers when they least expect it. One such example was performed in Camps Bay, Cape Town, where divers were equipped with shark fins and swam from the ocean to the shore to hand out the product to beach tiers (Bosicetea, 2011). Another example is through letting consumers design their own cans

online, which is then scrutinised by experienced designers with the best one being produced and distributed for a limited time (Bosdesigner, 2015).

Legacy marketing, having been termed by their own head of marketing (as cited in Rolando, 2011), consists of leaving something behind for future generations through the interactions and purchases with the brand. In this spirit of this the company has made a pledge to plant a tree for every 2000 products sold (BOS, 2014a; BOS 2014c). This partnership with GreenPop (2015) has been successful, having planted over 9500 trees (Instagram, 2015; Facebook, 2015) in underprivileged areas since the formation of the company.

Another way BOS Ice Tea is planting more trees is through their mobile application that allows you to plant a digital tree whenever you buy a product (BOS, 2014a; BOS, 2014b; Granger, 2013). The mobile application allows consumers to identify a prime planting location for their tree, and then even name the tree (Granger, 2013). For every 2000 digital trees planted, BOS Ice Tea will then plant a physical tree (BOS, 2014b). The company has an ambitious goal to plant 50 000 trees by the year 2020 (BOS, 2014a, 2014b; Rolando, 2011).

The company seems to be in a unique position both locally and globally (Rolando, 2011), having powerful investors who are well connected, and an organic rooibos product (Food Review, 2011; Rolando, 2011; Silicon Cape, 2011). It is not explicit that this company engages in green marketing, however, there are suggestions that it is environmentally friendly and has an inventory (BOS, 2014b, 2014c; Rolando, 2011; Food Review, 2011, Leshilo, 2014) to engage in green marketing.

### *1.3.1 The rooibos competitive advantage*

BOS Ice Tea (2014a, 2014c) places a lot of emphasis on their organic rooibos ingredient, this being a core focus on their website (BOS, 2014a; 2014b; 2014c) and a key feature both in and on their product packaging. This section will describe the importance of rooibos versus that of ‘normal’ everyday tea – the result of which will assist the research in understanding its importance to BOS Ice Tea.

The everyday tea, scientifically known as *Camellia Sinensis*, commonly comes in five forms; black, oolong, green, flower and fruit scented, and white (Gilani, Khan, Ghayur, Faizan, and Herzig, 2006; Kwong-Robbins, 2007). With over 300 variants in China alone, tea has not only been a popular drink for centuries but is on the rise globally as a drink of choice for consumers (Berry, 2007, 2010). Specifically, the Ready-To-Drink (RTD) market (ready-made coffee, tea, smoothies, and juice blends) has become more popular due to associated health effects and lowered sugar content (Berry, 2007, 2010; BOS, 2014c; Gilani et al., 2007). Comparatively rooibos, scientifically known as *Aspalathus Linearis*, has numerous more health benefits and is becoming increasingly popular both as an alternative to common tea, but also as a RTD product (Baba, Ohtsuka, Haruna, Lee, Nagata, Maeda, Yamashiro and Shimizu, 2007; BOS, 2014c; Bruton, 2007; Gilani et al., 2006; Kanu, Okonkwo and Dakora, 2013; Leshilo, 2014).

Rooibos has had a compelling history, and whilst the exact date of its initial discovery are somewhat blurred, the westernised version does provide clarity on its success (Gilani et al., 2006). Whilst this research is not about the plant specifically, it is important to note that it has become legally trademarked to the country through a European Union trade agreement (Smith, 2014) and is naturally grown in South Africa only (Bruton, 2011; Baba et al., 2007; Gilani et al., 2006).

Research has also concluded that rooibos has many more medicinal properties than that of common tea, it is; caffeine free, calorie free, mineral rich, contains powerful antioxidants known as polyphenols, anti-inflammatory, prevents DNA change, treats diarrhoea, spasms, and reduces oxidative stress in children (Baba et al., 2007; Bruton, 2011; Gilani et al., 2006; Kanu et al., 2013).

The ingredient has found its way into the global market place as a drink, facial product, and additive to various forms as therapy as well (Baba et al., 2007; Kanu et al., 2013). With the increase in consumer conscious to be healthier, consume less sugar, and to increase general wellbeing, BOS Ice Tea has used the ingredient to its advantage to enter the global market (Rolando, 2011; Silicon Cape, 2011).

### *1.3.2 BOS Ice Tea and organic rooibos farming techniques*

The source for the rooibos in BOS Ice Tea is in the Cederberg, the heart of all rooibos production globally (Baba et al., 2007; Bruton, 2011; Gilani et al., 2006; Kanu et al., 2013; Rolando, 2011). The company harvests its rooibos from a farm called Klipopmekaar, which is owned by the founding partner Richard Bowsher (Rolando, 2011; Silicon Cape, 2011), one of the biggest farms globally (Klipopmekaar, 2015a) which practices sustainable farming practices in all aspects (Klipopmekaar, 2015b; Rolando, 2011).

The sustainable farming practices employed on the farm include making use of; A) bat houses in its buildings to naturally control harmful insects, B) owl houses in the farming fields to control rodents, C) solar powered pumps for irrigation, D) thermally intelligent buildings to control temperature, E) conservation tillage techniques for ploughing, F) 10% of the farm is used for rooibos whilst the other 90% is left wild, G) long-term crop rotation practices have been implemented, H) recycles all it can, I) uses water only available on the farm, J) and conserves the land it is on (Klipopmekaar, 2015a; Klipopmekaar, 2015b). As a result, the farm has been recognised for pioneering organic farming techniques in the rooibos industry.

As a result, the farm is recognised for pioneering organic farming techniques in the rooibos industry.

Additionally, Richard Bowsher served on the Right Rooibos Committee for a few years (Klipopmekaar, 2015b). The committee seeks to provide the best practices for rooibos farming in terms of biodiversity, farming standards, social responsibility, and supply chain management. Lastly, the farm ECOCERT SA certification, a globally known accreditation as the benchmark for organic farming (BOS, 2014c; Klipopmekaar, 2015b; Rolando, 2011).

### **1.4 Benefit of research**

One way of highlighting a company's sustainable efforts and pro-environmental attitude is to use a green marketing strategy (Gittell et al., 2012; Peattie, 1995; McNall et al., 2011). Green marketing as a concept has been growing over the past decade both in literature (Charter,

Peattie, Ottoman, and Polanski, 2012; Cohen and Robbins, 2011; McNall, 2011; Lee, 2008) and within businesses marketing departments (Gittell, 2012; Mitchell, Wooliscroft and Higham, 2010). However, whilst the concept has been thoroughly researched, there is a need for more literature on case studies depicting the value of green marketing (Charter, Peattie, Ottoman, and Polanski, 2012; Cohen and Robbins, 2011; McNall, 2011; Lee, 2008).

This research then seeks to add to the field of green marketing, and improve understanding of BOS Ice Tea as a South African company. The overall aim is to achieve an understanding of whether or not BOS Ice Tea abuses its marketing messages to communicate its product as being a green product. In addition, develop and suggest a way in which to implement a 4P's Green Marketing Framework.

### **1.5 Goals of research:**

The purpose of this research was to develop a 4P's Green Marketing Mix for BOS Ice Tea based on both the work of Gittell et al. (2012), and Ottoman (1998). These were the research goals:

- A. To identify and review the company's current marketing paradigms relating to green marketing against Ottoman's (1998) paradigms
- B. To compare BOS Ice Tea's current marketing practices, strategies, and paradigms around sustainability against Gittell et al. (2012) work.
- C. To develop a 4 P's Green Marketing Mix

### **1.6 Research road map**

This report provides an examination of the company, an investigation into the green marketing techniques within the field of academia and an analysis of how the company can leverage what it has to put forward through a Green Marketing Mix. The research basis on a descriptive case study (Gelo, Braakman, and Beneteka, 2008) that uses the collection of data from semi-structured interviews and available texts, and analysis data against the research frameworks (Gittell et al., 2012, Ottoman, 1998), about the company in question.

It is the intention of the research project to develop a green marketing framework for BOS Ice Tea based on the 4P's Green Marketing Mix

## CHAPTER 2

### LITERATURE REVIEW

#### **2.1 Chapter overview**

The literature review contains four sections; sustainability and being green, marketing, green marketing and the 4P's marketing mix. The sustainability section will highlight the current issues within a global context, which will form a basis for a sustainability definition and how the term green is used for this paper. Marketing as a concept will be explored with an emphasis on Ottoman's (1999) paradigms, and then extended onto green marketing that is the focus in terms of marketing. Lastly, an inquisition into the Gittell et al. (2012) 4P's Green Marketing Mix will be looked at.

#### **2.2 Sustainability and being green**

The economic crisis of 2008 sent a strong signal to businesses of all shapes and sizes; there is a need to be more cautious with how money is invested, spent, and used (Gittell et al., 2012). More importantly, both working people and businesses are asking how they can ensure long term security and not end up in, or assist in preventing, a financial crisis again (Gittell et al., 2012; McNall et al., 2011).

One way of reducing costs is to reduce the use of energy for heating, lighting, industrial, and general use (McNall et al., 2011). For example, van Heel (2010) estimates that 40% of energy used in buildings are for either heating or cooling. With better insulation and by dressing more appropriately for example, funds can be saved and invested into alternative sources of power (van Heel, 2010). As a spin off the environment takes less strain through lower resource use and energy demand. Furthermore, at an industry level, renewable power both creates demand for the renewable energy market, and lowers operating and production costs (Marketing Science Institute, 2009; McNall et al., 2011; Peattie and Peattie, 2009).

The idea behind being more environmentally friendly then makes business sense as it profits the business, preserves the Earth, and allows for the equal treatment of people both within the organisation and outside. Sustainability, at a fundamental level, then comprises serving three core elements when making a business decision; people, profit, and planet - which is known

as the triple bottom line, or 3Ps (Corkins, 2009; Peattie and Peattie, 2009). The following pages will highlight the development of sustainability, provide a definition, and extend it into marketing where we find the focus for this paper.

### *2.2.1 Setting the scene for sustainability*

Over the past 40 years, business has radically transformed the way they are conducted, especially when it concerns the environment. That is, increasing pressure from the public, along with governments, have influenced companies to focus on product stewardship (Cohen and Robbins, 2011, p. xxiii; Hansen, Kharecha, Sato, Masson-Delmotte, Ackerman, Beerling, Hearty, Hoegh-Guldberg, Hsu, Parmesan, Rockstrom, Rohling, Sachs, Smith, van Susteren, von Schuckmann and Zachos, 2013; McNall et al., 2011). In return, the drive to being sustainable has proven to be rewarding in many ways, from increased brand awareness to a higher ROI (return on investment) (Hansen et al., 2013; McNall et al., 2011).

The term, sustainability, is more of a buzzword now than it was some decades ago, in the 1970s (Carson, 1962; Gordon, Carrigan and Hastings, 2011; Hart, 1997). Nowadays a glance into a major form of print media will show the term somewhere in the headlines; increasing amounts of products are aiming to become sustainable or organic - which is becoming more evident if you read the product descriptions (Odendahl, 2008). It is apparent then that there is an increasing understanding of the concept within the public domain, or at least a general grasp of what it is meant to represent (Belz and Peattie, 2009; Bennet and William, 2011; Cokins, 2009; Odendahl, 2008).

According to Cohen and Robbins (2011), sustainability, at its core, has this idea: future generations should (or have the right to) be exposed to the same opportunities and resources as were provided by those currently inhabiting the Earth. Furthermore, and more locally relevant to South Africa, the same sentiment is also shown in the National Environmental Management Act of South Africa, where it is the country's responsibility to be accountable for our actions and how the impact the future (NEMA, 1996: p.8).

With the multiplicity of paradigms and approaches available, being sustainable in its own right is not as straightforward as it would appear. With various academics in a diverse range of fields, there are a lot of frameworks and definitions to choose from (e.g. Bennett and

William, 2011; Cohen and Robbins, 2011; McNall, Hershauer, and Basile, 2011). What does seem to be common ground is that of the triple bottom line.

Elkington (1997), having been the first to coin the term in 1994, has since had the concept reworded and adopted into many forms by various academics. For example, Hart (1997) proposes the following three terms; market economy, survival economy, and the nature economy. Hart's (1997) approach categorises industries to justify the degree to which they accountable to being sustainable or not. Corkins (2009) uses the 3Ps; people, profit, and planet and 'creates' the three pillars associated with sustainability. Each of these approaches (Corkins 2009; Elkington, 1997; Hart, 1997) have three unique spheres which by themselves represent important aspects of society, but the interdependence of each is critical to the survival of each element (Corkins, 2009; Elkington, 1997; Hart, 1997)

For the purposes of this paper, Corkins (2009) 3Ps will be used as it easily understood and defines the concept of sustainability holistically. Further, NEMA (1996) supports this approach to sustainability.

The term "green" will be used to reflect attitudes that are pro-environmental, and indicate concern for the physical environment, such as land, water, and air. The green consumer is then someone who makes purchasing decisions based on the positive effect it has on the environment (Corking, 2009; Dean and Pacheco, 2014; Peattie and Peattie, 2009). Further, green marketing is the practice of marketing techniques that are pro-environment – more on this in the next section.

## **2.3 Marketing**

This section investigates the role of marketing in modern day times with an emphasis on green marketing. A brief account of marketing and its influences on sustainability will be examined, which is then followed by an in-depth account of green marketing, and the impact it has had on consumer decision making processes.

### *2.3.1 Context*

The American Marketing Association (2005) has defined marketing as an organisational function that is accountable for creating, communicating, delivering value to customers, and for managing customer relationships in ways that benefit the organisation and its stakeholders. It is the organisation's responsibility to deliver and communicate value to the customer, whilst also benefiting all stakeholders (AMA, 2015). That is to say that all marketing, whether positive or negative on sales, has to be accountable and reflective of the real organisational processes (Ferrel and Hartline, 2011).

In its most basic form, marketing aims to connect itself to consumers through various mediums such as; print, digital, physical activities, creative intervention, public relations, and social media (AMA, 2005; Kotler and Keller, 2012; Mitchel and Wooliscroft, 2010). Ferrel and Hartline (2011) believe that the available means of marketing are limitless; it all depends on the marketer's brief and their creativity.

Traditional marketing strategies had been based on the assumption that resources were in themselves infinite, and that consumption was the end all for humanity (Friedman, 1970; Ottoman, 1998; Kotler, 2011; Peattie and Peattie, 2009). Whilst this belief has fuelled sales and convinced people to consume more than they needed, it has in effect placed the planet under a lot of pressure too (Peattie and Peattie, 2009). Resources presumed to have been unlimited are becoming harder to extract, and more finite than anticipated (Ottoman, 1999). Due to excessive demand for resources, and the additional effort needed to extract them, commodity prices have risen quickly on a year-to-year basis (Gittell et al., 2012). This, added with the financial crisis of 2008, has reduced the spending power of the average consumer (Kotler, 2011; Peattie and Peattie, 2009).

Advancements in technology, access to personal devices, and the increasing information available on the Internet has made communication with consumers a lot more complicated (Kotler and Keller, 2012). Information from all parts of the world are relayed to anyone who queries a search item, and the information chosen is not controllable either (Ferrel or Hartline, 2011). For example, if a product is found to be contaminated, exposed for being unethical or claim to do something it cannot, this information can spread virally and become accessible to anyone. Consumers can additionally opt out of advertising mediums or discover

ways to block out marketing messages (Kotler, 2011; Kotler and Keller, 2012). Lastly, it is easier to exchange opinions about products, compare prices across stores, choose alternatives from different parts of the world, and customise products than it ever has been (Ferrel and Hartline, 2011).

As a response, businesses are actively seeking ways to provide higher value propositions to their already existing products, and innovative ways in which to pioneer new ones. This has taken up many forms such as; opening up of production and manufacturing processes to increase efficiency, improving production and packaging quality, adding altruistic properties to purchases, and/or adding descriptive stories to the products life cycle, and showing responsibility through environmentally friendly practices (Ferrel and Hartline, 2011).

### *2.3.2 The rise of sustainable marketing*

Concern for the natural environment through the lens of marketers is not a new phenomenon (e.g. Kotler, 1972; Lavidge, 1970). The origins of sustainable marketing can be found in the 60s and 70s where marketing scholars began to discuss the role of societal responsibility within marketing (Belz and Peattie, 2009; Dawson, 1971; Garcia-Rosell and Moisander, 2008; Kotler and Levy, 1971; Lavidge, 1970). There was an academic engagement that seemed to more self-reflective than that of seeking to reduce costs on production – the ethical consideration for the environment and people began to take shape (McNall et al., 2011). It seemed to go as far as condemning marketing as an institution for ‘forcing’ people to buy products through marketing stimuli (Garcia-Rosell and Moisander, 2008; Kotler and Levy, 1971; Lavidge, 1970).

Philip Kotler (1972) published an influential article where he introduced the ‘societal marketing concept’. The concept questioned the rationale behind short-term customer satisfaction versus the long-term welfare of humanity because of consumption in its current form. Kotler (1972) asks businesses to include issues of environment and social problems to their products and market planning. Fisk (1973, 1974) proposed the theory of ‘responsible consumption and the ecological imperative’, where the author pleads with marketers to encourage consumption that is responsible and not indulgent. Further, Henion and Kinnear (1976) introduced the concept of ‘ecological marketing’, which proposed identifying marketing that has caused environmental damage and ways in which to promote solutions to

the damage identified. During this period, these authors were trying to create a movement that would assist marketers in becoming more environmentally responsible, and to reduce the influence they had on creating profits through consumables consumers did not really need.

What does seem to be of major interest is that the academic discussion on environmental and social responsibility continued to grow from this point onwards, but not from a marketing point of view (Cronin, Smith, Gliem, Ramirez and Martinez, 2011; Garcia-Rosell and Moisander, 2008; Hartmann and Ibáñez, 2006; Murphy, 2005). Between the end of the 70s and the beginning of the 90s there is little, almost no significant data, on ecological or societal promotion within marketing academia (Cronin et al., 2011; Murphy, 2005). This gap had acted as a catalyst for consumerism, and now with the emphasis on being sustainable to reverse its affects, there has been a massive growth in research since the 90s (Cronin et al., 2011; Hartmann and Ibáñez, 2006; Murphy, 2005; Rivera-Camino, 2007). This has additionally been fuelled by both the number of conscientious consumers and the growing responsibility of business to be more accountable to its stakeholders (Belz and Peattie, 2009; Garcia-Rosell and Moisander, 2008; Murphy, 2005; Rivera-Camino, 2007).

Conversations around sustainability and marketing practices around this concept are based on the understanding that it is, according to Garcia-Rosell and Moisander (2008), morally wrong for both individual and firms to pollute or damage the environment or use it in a way to create instability for the 3Ps. In saying that there is also a growing appreciation that the environment is responsible for economical and societal happiness i.e. the provision of food, products, energy, thermally intelligent housing, and the recycling of water (Cronin et al., 2011; Murphy, 2005). The development of sustainability within all academic fields, especially that of marketing, is to guide businesses to determine their purpose, responsibility, and goals for the future (AMA, 2005; Belz and Peattie, 2009; Bennet and William, 2011; Cronin et al., 2011; Garcia-Rosell and Moisander, 2008; Gittell, Magnusson and Merenda, 2012; Rivera-Camino, 2007).

### *2.3.3 The Marketing Paradigm Shift*

Bedek (2011) believes that the role of marketers is more critical than we are lead to believe, their message either teaches us to consume blindly or with a sense of responsibility. Hult (2011) recognises there is a choice between marketing for profit and marketing to teach, and

as awareness grows, sales representatives begin to realise this too. There has been as a result a distinction in paradigms between what is considered conventional marketing and what green marketing is (Kotler, 2011; Murphy, 2005; Ottoman, 1995).

Kotler (2011) puts forward the contesting paradigms as; a) the unexamined assumptions of marketers in the past, and b) those pressing for sustainable practices. The former has the following assumptions; wants are unlimited and so encouraging consumption is good, resources are infinite, capacity for waste and pollution are infinite, and quality of life increase proportionally to consumption (Kotler, 2011). Whereas the latter has the following assumptions; wants are culturally influenced and strongly shaped by marketing, resources are finite, capacity for waste and pollution are finite, and quality of life do not depend exclusively on consumption (Kotler, 2011).

Fuller (1999) points out through the course of his own work that all products should be compatible with ecosystems. That is, everything from production to promotion through to disposal has to show an organisations aim to be sustainable (Fuller, 1999).

Ottoman (1999) puts forward an argument that divides the two paradigms through the labels of conventional and green marketing (table 1). In Ottoman's (1999) book, *Green Marketing: Opportunities for Innovation*, she shows that the new paradigm (green marketing) has proven to not only be very lucrative, but also puts the company in a position to become pioneers for green behaviours. In addition, manufacturing process no longer produce products that have a cradle-to-grave emphasis, but the entire manufacturing process produces goods in a cradle-to-cradle environment i.e. everything needs to be recyclable to the point where it can return to the manufacturer (Ottoman, 1999).

Table 1:  
Changes in Marketing Paradigms: Conventional marketing vs. Green Marketing

Issues	Conventional marketing	Green marketing
<b>Consumers</b>	Consumers with lifestyles	Human beings with lives
<b>Products</b>	Cradle-to-grave One-size-fit-all products	Cradle-to-cradle Flexible Services
<b>Marketing and communication</b>	Selling oriented End benefits	Education Values
<b>Corporate</b>	Reactive Independent departmentalised Short term oriented Profit maximising	Pro-active Interdependent Co-operative Holistic Long term oriented Double bottom line

Source: Ottoman, 1999, Pg. 32

Ottoman (1999) also shows that by effectively rejecting conventional marketing strategies there is an end result of cost reductions in manufacturing, and more engagement with stakeholders. Ottoman (1999) explicitly states that by being green, companies can address environmental issues quicker due to the nature of networks within supply chains and across business. Table 1 (taken from Ottoman, 1999) shows the differences in these two paradigms against four criteria; consumer, products, communication, and corporate.

By using this against the marketing techniques of BOS Ice Tea, one will be able to place the company within the two paradigms, and then propose how to enter a green marketing paradigm.

#### *2.3.4 Pressure for change in paradigm*

There is a lot of added pressure on businesses globally to act in a sustainable manner through government policies, consumer needs, and non-profit organisation movements (Cronin et al., 2011; Gittell et al., 2012; McNall, 2012). In South Africa, for example, companies who are a

part of the Johannesburg Stock Exchange (JSE) are now required to be more accountable and follow the King 3 reporting procedure (ACCA, 2014). Whilst not complying is not punishable by law, the authorities are still allowed to question you and ask why you have not acted in a sustainable manner (ACCA, 2014). Moving internationally, integrated reporting, which obliges corporations to report on their efforts to address the triple bottom line, is becoming mandatory for annually reporting (ACCA, 2014; Dean and Pacheco, 2014; Gordon et al., 2011). Sustainability has entered the mainstream agenda, and even though there is no universal consensus on how to address issues of climate change, pollution or sustainability, business are doing their best to address the triple bottom line (ACCA, 2014; Dean and Pacheco, 2014; Gittell et al., 2012; Hepting, Arbuthnott, Jaffe, and Maciag, 2009).

The problem in finding universality seems to stem from deep economic theory, that is, up until now consumerism has been the key driving force of sales, and to reduce this would seem to equate to lowering profits (Bennet and William, 2011; Cronin et al., 2011; Dean and Pacheco, 2014; Gittell et al., 2012). Taken in another way, there is a negligence to adapt to sustainable practices as quickly as researchers are suggesting it. Consumers are slowly adapting to green behaviours, and as a result, companies that are embracing sustainability are benefiting quicker than those who do not (Bennet and William, 2011; Cronin, et al., 2011).

The following section highlights research conducted in the past that highlights the above movement.

### *2.3.5 Green marketing*

A green marketing strategy is increasingly becoming more important to firms as it is becoming more apparent that high environmental performance is linked to competitiveness, innovation, and better financial performance (Cronin et al., 2011).

Peattie (1995) describes green marketing as the holistic management process responsible for identifying and satisfying the desires of customers and society, in a cost-effective and sustainable way. This approach has many benefits, proving to be valuable from many angles; profitability, marketing, consumer confidence, ethical farming and labour practices, and innovative technology (Ottoman, 1999; Peattie, 1995). Products that embrace fair trade, local produce, ethical practices and the up-liftment of the environment have also been outdoing

their ‘organically’ labelled counterparts (Gordon et al., 2011). Green marketing then has a lot of potential to be of great effect - there is however, the pessimistic side of the argument.

Green washing, according to Laufer (2003, p. 255) is the act of some corporations who “creatively manage their reputations with the public, financial community, and regulators, so as to hide deviance, deflect attributions of fault, obscure the nature of the problem or allegation, reattribute blame, ensure an entity’s reputation and, finally, seek to appear in a leadership position”. Green washing has been an issue since the rise of green marketing, with news articles and critics seeing a contradiction in sustainable marketing and their messages (e.g. Bleby, 2008; Laufer, 2003; Odendahl, 2008; Peattie and Crane, 2005; Serry, 2010). Simply put, there is a need for more trust between businesses and consumers, and less deception in marketing campaigns - which can end up costing the business majorly (Laufer, 2003; Serry, 2010).

From the above it is clear to note that should a robust and collective green marketing effort be made by businesses, pessimistic views about green marketing can be reduced, and ultimately be made insignificant (Gittell et al., 2012; Odendahl, 2008; Peattie and Crane, 2005). There is a lot of room for improvement, but it will take the collective efforts of businesses to win over consumer confidence. More importantly, once this has been achieved consumers would have been taught to be more responsible with how they purchase and use products/services (Laufer, 2003; Serry, 2010).

It is evident that green marketing puts a lot of responsibility on the relationship between business and the environment to provide the means for a sustainable market economy, without the direct assistance of the consumer. That is, purchasing a product seems to be an ends to a means rather than a means to an end (Peattie and Crane, 2005). Sustainable development addresses the triple bottom line and thus requires the consumer to go an extra mile as well (Cronin, 2011; Peattie and Crane, 2005).

Belz and Peattie (2009) view green marketing as a long-term marketing strategy that delivers solutions to consumer needs that are ethical, ecologically orientated, and stakeholder based. Charter et al. (2002) believe green marketing to be the delivery of sustainable solutions that satisfy all stakeholders. A common strategy within green marketing is that of ‘demarketing’ where marketing messages encourage you to purchase a product, at a premium, that lasts

longer and teaches consumers how to use less (Peattie and Peattie, 2009). Put in another way, teaching consumers that products are finite, and so are the resources that produce them. An example of this is of water and power utilities encouraging consumers to use less to both save money and reduce the pressures on the environment (Peattie and Peattie, 2009). From a more product orientation, things such as reusable water bottles or recycling glass jars promote sustainable usage. Coca-Cola did this through turning their bottle caps into nozzles for water guns, sprays, toys and the like to promote the reusing of their bottles (Bletrone, 2014).

Matten and Moon (2008) state that the intention behind green marketing, regardless of how the definition is rolled out, is to reflect corporate responsibility for wider societal good.

Overall then, green marketing accepts that there are regulatory mechanisms in play, and that by fostering collective commitment to alter institutional settings sustainable development becomes a prime objective which benefits the triple bottom line continuously (Belz and Peattie, 2009; Charter, 2002).

### *2.3.6 Research into green behaviours*

In 1994, Shrum et al. (1994) found that there seemed to be an internal locus of control when it came to buying green, that is, there was an occurrence of self-reflection, especially when coming to recycling. Their study additionally found that the more educated you were the more likely you were to be green (Shrum et al., 1994). Additionally, it was seen that females were easier to convince by marketing messages and thus more likely to have green behaviours (Shrum et al., 1994). The research also concluded that green consumers were more influenced to print media than that of digital (this has changed considerably since then as Kotler (2011) notes).

A year later Schuhwerk and Lefkoff-Hagius (1995) conducted a study gauging the reactions of green consumers versus the average consumer on laundry detergent adverts. They found that those who were of a high opinion for sustainability were not moved by the adverts at all, however, those who were not highly involved with the environment were more curious (Schuhwerk and Lefkoff-Hagius, 1995). Furthermore, and more importantly, green consumers are not affected by advertising medium as much as non-green consumers are; rather, they are more conscious of the efforts behind the manufacturing of products and prefer

researching claims (Schuwerk and Lefkoff-Hagius, 1995). In the same year Shrum, McCarty and Lowrey (1995) found through typologies of marketing that the majority of adverts during the 90s abused the ethos of being green through promoting a corporate image and not one about environmental responsibility. That is, some companies claimed to be green and had nothing to show for it.

A decade later a study was done in Hong Kong by Lee (2008), amongst the 6010 adolescents interviewed, it was found that social influence was the biggest factor when it came to green purchases. The four key success factors that Lee (2008) found in green marketing came from the use of; peer networks, emotional appeal of messages, image branding of the product, and behavioural efficacy (Lee, 2008). The results also concluded that green marketing and the drive to change behaviour is a lot more complex than initially thought. However, there was a lot of opportunity to appeal to the youth as they were seen to have more purchasing power than working adults (Lee, 2008). This comes in the power to influence parent or guardian purchases.

The Marketing and Science Institute (2009) found that consumers would openly agree that green purchases that are authentic are indeed beneficial to the Earth, but only 65% will pay for it. In addition, only 60% of consumers believe what they are being told – there is an awareness of green washing and the abuse of mislabelling products (The Marketing and Science Institute, 2009). As a result, there is a gap that is not being filled i.e. the difference between knowing about sustainability and not knowing how to act on it (The Marketing and Science Institute, 2009).

Following from The Marketing and Science Institute's (2009) work, Benner and William (2011) focus on a concept known as the green gap, the difference between the consumer's green intention to buy and the actual purchase. The study found that on average a third of respondents always lacked intent for buying green products (Benner and William, 2011). One respondent mentioned that organic foods might have worms, and that cleaning products that did not have chemical smell were probably not good enough (Benner and William, 2011). Another respondent suggests that being green is almost like being out casted, and that it takes a lot to not be seen as either elitist or a hippie (Benner and William, 2011). The overall emphasis of the report suggests that, just like smokers who were forced to go outside of buildings, being green has the same feeling to consumers. In order to make green purchases

mainstream, it has to become known that it is more beneficial to the Earth than cheaper alternative purchases that are not (Benner and William, 2011).

Xiao and Li (2011) conducted a study between 14 cities in China between 3,372 participants and showed that there was a direct correlation to consumption and life satisfaction. They also found that both pro-social and pro-environmental spending such as; charity and green purchases, contribute greater to life satisfaction and the common measure of wellbeing (Xiao and Li, 2011). More importantly, their research found that wealthier nations tend to have greater concern for the environment and social aspects than those of poorer countries. Comparatively Struwig (2010) reflects this finding in South Africa where environmental attitudes were found to be associated with income and education i.e. the higher your education and disposable income were more likely you were to be conscious of the environment. This result is also reflective in the work of Shrum et al. (1994) in Nombembe (2014).

A recent survey by Pick n Pay South Africa showed that amongst the 360 customers questioned, 83% bought electricity-saving light bulbs, 75% said they were water-wise, and another 44% stated they do what they can to be environmentally friendly at home (Nombembe, 2014). In addition, about 66% stated that they were willing to pay a premium for green products, so long as their purchase was a trusted green product. The study, which was completed in an upmarket area, is reflective of consumers who are more informed about buying green than in areas that are not (Nombembe, 2014).

Considering the studies, there can be no doubt that consumers are making more informed purchases than they used to. That is, there is genuine concern amongst the population about the manner in which products are made and where they come from (Hartmann and Ibáñez, 2006; Peattie and Crane, 2005). One does not necessary have to be environmentally conscience to make a well-informed decision, rather, they need the right information informing their decisions (Benner and William, 2011; Struwig, 2010). Further, by making green purchases and sustainable behaviour more favourable than consumeristic means, the battle to address the triple bottom line becomes easier and faster. Thus, education seems to be the missing element in marketing communication and branding efforts (Benner and William, 2011; Schrum et al., 1994; Struwig, 2010).

Marketing, being the main form of business to consumer communication, should play a role in addressing these challenges. Marketing has been changing and creating consumer behaviours to match both business and government agendas and goals (Gittell et al., 2012). It can only make sense then to use marketing to create sustainable consumer behaviours, and better yet, use products as a medium to reach this outcome (Benner and William, 2011; Struwig, 2010). It is clear from all parts of the globe that the appeal to be green is there, however, to act ethically and to have committed green consumers is a major challenge.

By understanding the research behind being green, one can now focus on marketing's role. The paper will now address marketing and narrow down our focus into the type of marketing we are concerned with, namely the Green Marketing Mix.

## **2.4 Marketing Mix**

The origins of this term come from Borden (1964) where he introduces the concept in the late 40s with various elements. However, it was McCarthy (1960) who took Borden's (1964) work and made it easier to use by grouping it, he created the 4P's (product, place, price, and promotion). The combination of the 4P's created the foundation for what has become known as a primary decision making framework that can make or break an organisation (Cohens and Robbins, 2012; Nieman and Nieuwenhuizen, 2010; Kotler and Keller, 2012). The framework consists of four key decisions that need to be explored before launching a marketing campaign, or, modifying an existing one (Cohens and Robbins, 2012; Nieman and Nieuwenhuizen, 2010; Kotler and Keller, 2012). These variables assist in the smooth running of a product/service and organisation.

Before moving forward, it is important to recognise other marketing frameworks, such as Belz and Peattie (2009), who integrate three forms of marketing: relationship, modern and green marketing. Mitchell et al. (2010) use elements from the triple bottom line; ecology, society, and profits to create a framework for sustainable marketing.

Whilst these theories and frameworks have been published and used elsewhere, they are not ideal for the length of this report due to the fact that they: rely on specifically placed feedback centres which requires a deeper look into corporate strategy; they are still developing concepts, have not been used extensively and lastly; they have not stood the test of time like the one the Marketing Mix has (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010).

Therefore, this has been chosen as the framework from which this report feeds off. Below each of the 4P's will be explained in its most traditional form briefly and then be 'greened' to display the significance in difference. The process also highlights what is required to move from the traditional to a Green Marketing Mix (Gittell et al., 2012)

#### *2.4.1 Product*

A product is the tangible object or service that is marketed, bought, consumed, and disposed of by the consumer (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010). It is the means through which revenue is generated and how the company as a result can grow (Cohen and Robbins, 2012). Furthermore, the purpose of the product has to be established to some end (Nieman and Nieuwenhuzen, 2010). For example, does the product come all-inclusive or are there additional features one can add through purchases or warranty/service extensions (Nieman and Nieuwenhuzen, 2010). Are there premium packages or scaled down versions (Nieman and Nieuwenhuzen, 2010)?

The competition landscape is important too as this will allow for differentiation in the form of quality, innovation, or improvement (Cohen and Robbins, 2012; Gittell et al., 2012). Furthermore, the components/overheads of the product all have to be calculated and the cheaper materials sourced to maximise profit margins, and lower cost to company has (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010).

#### *2.4.1.1 Greening Product*

The product that is produced by a company should comply with ecological and social marketing criteria (Bedek 2011). That is, the product must have ethical labour behind it and green intentions behind the products constituents (Bedek 2011; Gittell et al., 2012; Kotler, 2011). Businesses that are striving for a sustainable competitive advantage should strategize to incorporate new technologies that have a minimal environmental impact, standardisation of techniques to reduce resource dependence, all natural product output if possible, and increased wellbeing for workers (Bedek 2011). Further, and more critically, the sustainability of a product has to be achieved through its entire lifecycle, from resource harvesting all the way through to disposal (Gittell et al., 2012).

A product should also satisfy a genuine human need and not simply be produced for the sake of consumption, or at least have a lifecycle in which it can return to the Earth in some form or another (Bedek 2011; Gittell et al., 2012; Kotler, 2011). The design of the packaging is also important from this aspect as it forms part of the final product – designers can additionally reduce their carbon footprint in this manner (Gittell et al., 2012). Within the service industry, competitive advantage comes in the form of how companies use their energy; recycle their waste, whom they use in their supply chain and so on (Kotler, 2011).

#### *2.4.2 Price*

Price in its most basic form is the exchange of money for a product that is scaled to its value and benefits has (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010). This is usually done through marking up the cost of a product to its desired mark up in line with what consumers perceive as being valuable, and how much marketing is needed (Cohen and Robbins, 2012). The price also takes into consideration the consumer's context i.e. political, economic, technological, societal, and educational – notice that there is no ecological component here (Gittell et al., 2012).

#### *2.4.2.1 Greening Price*

Being green requires that pricing strategies adhere to the wellbeing of consumers and all of those involved in the production and manufacturing process too (Bedek 2011; Gittell et al., 2012; Kotler, 2011). Thus, basing price solely on profit margin, production costs, and competitive products is not justified – there is an opportunity to price according to ecological/societal impact as well (Gittell et al., 2012). That being said it has been shown and researched (Bedek, 2011) that consumers are willing to pay a premium for a green product but only if it is trustworthy to be ethical and of a higher value than a competing unsustainable product. In addition, companies need to take into consideration that there are potential initiatives by governments to charge companies for their environmental impact (Bedek 2011; Gittell et al., 2012; Kotler, 2011). Pricing then is sensitive to the context in which a product is being sold in; however, this should not take away from being sensitive to the needs of the triple bottom line (Gittell et al., 2012).

#### *2.4.3 Place*

In its most basic form, place is the venue where the product is sold, how it is distributed, and where it is stored (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010). It is the company's duty to ensure that products and services are delivered in a timely manner and that there is minimal disturbance to the consumer i.e. guaranteeing fresh products, on time delivery, no delays and the like (Cohen and Robbins, 2012). Storing, distributing, and placement is then the organisations responsibility (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010).

##### *2.4.3.1 Greening Place*

The manner in which a product is distributed plays a significant role on its impact on the environment (Bedek 2011; Gittell et al., 2012; Kotler, 2011). Switching to a more effective means of transport with a distribution channels that are more integrated can reduce logistical

carbon footprints (Kotler, 2011). For example, air transportation produces roughly 250kg of CO<sub>2</sub> per 1600km, whilst railway lines produce less than 50kg of CO<sub>2</sub> per 1600km (WWF, 2007). By changing both fuel types and transportation modes in any part of the supply chain a company will not only save money but also reduce their impact on the environment (Gittell et al., 2012; Kotler, 2011; WWF, 2007).

Another way of maximising on transport channels is to cooperate with distribution companies or other businesses (Bedek 2011; Gittell et al., 2012). As it stands the operations of many corporations and distribution companies may overlap on certain channels, thus presenting an opportunity to share transport routes and reduce the need for unnecessary trips (Gittell et al., 2012).

The use of online shopping also streamlines resource use and minimises the need for multiple physical venues (Gittell et al., 2012). Products can be customised online and delivered to one's specific address as well.

#### *2.4.4 Promotion*

Promotion in its most basic form is the message that the company or business projects out about their products (Cohen and Robbins, 2012; Gittell et al., 2012; Nieman and Nieuwenhuzen, 2010). It is how people use available marketing mediums to publicize product features, availability, price, and other details (Nieman and Nieuwenhuzen, 2010). In a purely traditional form, the messages that are executed are about enhancing one's lifestyle.

##### *2.4.4.1 Greening Promotion*

When promoting green products one cannot rely solely on traditional marketing methods, there is a need to incorporate digital marketing, personal selling, and public relations. (Kotler, 2011). Consumers understand promotional communication in different ways, and this is not

only from a medium point of view, but also in terms of what they consider green (Bedek 2011; Gittell et al., 2012; Kotler, 2011). For example, some consumers may find that; green certification is needed; aligned partnerships prove green awareness, charity spending, or even supply chain explanation (Gittell et al., 2012). It is up to the marketing team to understand their target market and ensure that they communicate appropriately (Kotler, 2011).

From a sales point of view all staff should be knowledgeable about their product/service and be able enough to answer any question a stakeholder might have (Gittell et al., 2012). Having said that it is crucial to note that to be green one has to appreciate that the consumer is not the primary stakeholder – all hold equal preference (Bedek 2011; Gittell et al., 2012; Kotler, 2011).

From a material point of view, marketing should look to use recycled resources within their physical promotional stands and utilise digital media - more promotion using less resources (Gittell et al, 2012). For example, printing thousands of fliers on non-recycled paper does not send the right message if it was to do with a green campaign.

Products should also be labelled for their associations, if they product is recyclable, and pro-environmental certifications (Nieman and Nieuwenhuzen, 2010). In addition, ingredients need to be fully transparent to – this too affects consumer perceptions about the product (Gittell et al., 2012).

Public relations has been identified as an incredibly effective means of promotion as it uses various media types to promote partnerships, announcements, activities, initiatives, sponsorships, collaborations, and as a lobbying tool as well (Bedek, 2011). Communication needs to be clear and to the point, green washing, as discussed before, leads to mistrust and abuse of the green concept (Bedek 2011; Gittell et al., 2012; Kotler, 2011).

It is well documented that noise occurs between the sender and receiver in almost all forms of communication, thus, being clearer and more concise with green marketing has to be paid

attention to (Bedek, 2011). In turn, the company becomes a lot more credible and brand loyalty is created due to consistency and confidence created. It is also critical that companies not only communicate to customers, but to the following as well; government, businesses, supply chain, distributors, staff, and the like.

## 2.5 The Green Marketing Mix

Green marketing is a means to introduce sustainable products and services to the market place (Gittell et al., 2012). Whilst it is still conflicted with issues of green washing, if properly managed, there is a lot of potential as a marketing tool (Gittell et al., 2012). Redeveloping an already known framework such as the marketing mix into a green marketing mix is not only beneficial for companies already familiar with the concept, but also proven with many case studies to effectively green a product or service (Gittell et al., 2012).



Figure 1: Marketing Paradigm Shift (source: Gittell et al. 2012)

The following model will assist in understanding the current practice of BOS Ice Tea against the 4P's Green Marketing Mix. By understanding this information one will be able to suggest ways in which the company can have a 'greener' marketing mix. This will indicate the extent

to which the company needs a paradigm shift, along with suggestions on where they can streamline process to be more environmentally friendly. This process is done step by step with each point of information, and then compared against the literature, to finally create a Green Marketing Mix. The following sections will showcase how this can be of benefit to BOS Ice Tea.

### *2.5.1 Pros and cons of a 4P's marketing mix*

The marketing mix is an easy to use system, in addition, it is also a lot easier to implement than other marketing models (Bedek 2011). This is due to the lack of complexity between the 4P's and the wide array of case studies available on the model – easy to troubleshoot if any issues arise in understanding it. Further, an in-house team has a better understanding of what is possible than an outsourced agency - the former has a lot more access to corporate data, and will most likely deliver the model on time (Bedek 2011; Kotler, 2011).

With this in mind there are also problems to the model. Due to the lack in complexity and its product focus approach, it does not deliver flexibility, but rather a fixed course of action (Bedek 2011; Kotler, 2011). That is, if something should change within the market or with technology, the process of creating the marketing mix has to restart (Bedek 2011; Kotler, 2011). Further, this model mainly addresses a business to consumer perspective, and not that of a business-to-business one (Bedek, 2011).

Gittell et al's. (2012) Green Marketing Mix is favoured as a core theory within this paper as it encompasses four key areas and recognises that green marketing in its own right is a complex task that requires a lot of work, but can be simplified with the 4P's (Beverland, 2014; Keller and Halkier, 2013; Pinto, Herter, Rossi, and Borges, 2014; Thirkell, 2012). Further, BOS Ice Tea is a consumer goods product, and thus does not rely primarily on the business-to-business side (BOS, 2014c).

## 2.6 Conclusion

The progression of sustainability as a concept is well accounted for, that is, there is enough evidence to point towards the pressure on the environment and the long term devastation it has on people and businesses too. However, as a result of conventional marketing efforts and the pursuit of profits over planet and people in the past there lies a massive challenge of breaking this habit. For one, the research on opinions and perceptions of consumers all highlight one critical fact; there is indeed an awareness of the decline in our habitat, but no significant action that relates to that consciousness between green consumers and purchases.

The literature has shown that despite these findings there is an increase of revenue from green marketing, and indeed a movement for consumers to be greener (Hartmann and Ibáñez, 2006; Peattie and Crane, 2005; Shrum et al., 1994; Struwig, 2010). Ottoman's (1998) marketing paradigm shift showcases the vast difference in thinking, and how conventional marketing is losing out slowly. On the contrary, something as historical as the marketing mix has been shown to be evolving to become greener (Gittell et al., 2012). Thus it only affirms that there is indeed a lot of potential and possibility to achieve greater success by adopting a green paradigm and promoting it to stakeholders (Gittell et al., 2012).

BOS Ice Tea finds itself in a unique position both locally and internationally (Rolando, 2011). Harvesting organic rooibos off the lands of Klipopmekaar (BOS, 2014c), and the country unique patent to the name as well (Smith, 2014), the company has the roots of its supply chain anchored in sustainable practices (Silicon Cape, 2011). Considering that the product is also within the fastest growing soft drink market (RTD), expanded to seven countries in 7 years (Rolando, 2011), and has made an impact through its current marketing techniques (BOS, 2014a, 2014c), the case study is set for the researcher to suggest a green marketing framework to work further from.

## CHAPTER 3

### METHODOLOGY

#### **3.1 Chapter Preview**

This section describes the research method used. In particular, it describes the research aims, research design, sampling method, data collection and data analysis.

#### **3.2 Research aims:**

The purpose of this research was to develop a 4P's Green Marketing Mix for BOS Ice Tea based on both the work of Gittell et al. (2012), and Ottoman (1998). These were the research goals:

- A. To identify and review the company's current marketing paradigms relating to green marketing against Ottoman's (1998) paradigms
- B. To compare BOS Ice Tea's current marketing practices, strategies, and paradigms around sustainability against Gittell et al. (2012) work.
- C. To develop a 4 P's Green Marketing Mix

The study was to contribute to the growing field of green marketing research in South Africa.

#### **3.3 Research design:**

This research was a single case, qualitative, descriptive case study (Gelo et al., 2008) that used the collection of data from semi-structured interviews and available texts against the research frameworks of Gittell et al. (2012) and Ottoman (1998), about BOS Ice Tea.

Qualitative research deals with the exploration of topics to understand a particular phenomenon (Babbie, 2010). It used to gain an understanding of motives, reasons and opinions. In doing so a qualitative research paradigm provides insights into the research problem, and assists in developing ideas (Babbie, 2010; Bryman, 2012). Quantitative research on the other hand is a systematic method of observing data using mathematical or statistical techniques (Babbie, 2010). Due to the nature of this research, a qualitative paradigm is of best fit the data is being searched for opinions (Bryman, 2012), and the data is also being compared to knowledge statements (Bryman, 2012). In comparison, a quantitative paradigm would restrict open-ended opinions and motives (Babbie, 2010), and require a mathematical approach to justifying statements in any data (Bryman, 2012).

A case study is ideal when there is a need for an in-depth, and holistic investigation (Feagin, Orum, and Sjoberg, 1991; Yin, 1994). The case study method has found value in all fields of academia (Yin, 1994), and in particular has become more valuable in business and marketing research (for example: Bonoma, 1985; Ghauri, 2004; Johnston, Leach, and Liu, 1999; Perry, 1998, 2000; Salzmman, Ionescu-Somers and Steger, 2005; Rowley, 2002). This method has been found to extract rich detail about a topic from the viewpoint of participants, and multiple sources of data (Bryman, 2012; Perry, 1998, 2000; Yin, 1994).

A descriptive case study describes a situation or a behaviour (Babbie, 2012). They are not use to predict what will happen, or explain a cause and effect scenario (Yin, 1994). Rather, a descriptive case study is used to collect information that will showcase relationships and describe the environment as it exists (Yin, 1994). This method requires a theory to guide the investigation (Yin, 1994). As such, Gittell et al. (2012) and Ottoman's (1998) frameworks have been identified as the guiding theories for this research, a

### **3.4 Participants and sampling method:**

According to Bryman (2012) and Gelo et al. (2008) purposive sampling is a non-probability method where participants are chosen and not randomly selected. Furthermore, as Babbie (2010) illustrates, this form of sampling allows for the researcher to apply their research question specifically to those considered to be of major significance.

Yin (1994) recognises that purposive sampling during a case study is not common practice, however, it is a method that is accepted if it is used to gain a fundamental understanding of a specific topic. In other words, a random selection method has been shown to give a more accurate reflection of opinions (Babbie, 2012), however, by choosing your participants you increase the chance of getting a more in depth understanding of an opinion (Bryman, 2010).

Participants that were chosen were selected on the basis that they would have the most insight into either the company's marketing methods, green initiative, or both. The two founding partners were chosen as it was believed that their insight would be the richest. The marketing manager was chosen as it was believed that she would be able to provide a better understanding of the company's marketing techniques, and further confirm knowledge statements in press clippings, newspapers, and online publications about their marketing. The marketing team was also going to be selected as their different roles and attention to detail in those roles might have given insight into technicalities of what marketing messages work versus those that didn't.

### **3.5 Data collection:**

Data was collected from the purposively selected individuals being interviewed, and through publications referring to BOS Ice Tea that were available publicly. The publications that were collected were in the form of; press clippings, videos, internet publications, official documents, videos and journal articles.

Interviews were executed through a semi-structured interview (appendix 1) that focused on three themes; marketing, understanding of green activity, and green marketing. The themes were created as they are in line with research goals. The interviews were done over a

recorded phone call, and were then transcribed into a document. The interviewees were that of the two founding partners; Rushmere (2015) and Bowsher (2015).

The aim here was to understand BOS Ice tea current marketing practices and strategies, and how these compared to Ottoman's (1999) paradigms, and Gittell et al. (2012) Green Marketing Mix.

### **3.6 Data analysis**

Data analysis consists of examining the evidence to address the initial propositions of the study (Yin, 1994). Accordingly, data obtained was guided by the research problem and goals (Babbie, 2010).

Only material and information pertaining to the field of marketing, and that of BOS Ice Tea, were used. These included both online and text publications that focused on the company's activities; BOS (2014a, 2014b, 2014c); Bosdesigner, (2015); Bosicetea, (2011); Bremmen, (2012); Bruton, (2011); Cape Town Magazine, (2015); Design Indaba, (2015); Facebook, (2015); Food Review, (2011); Instagram, (2015); Klipopmekaar, (2015a, 2015b); Miista, (2015); Rolando, (2011); Silicon Cape, (2011); The Die Line, (2011); and Twitter, (2015). Whilst it has been argued that this form of data processing cannot be perfectly carried out as data could be missed (Babbie, 2010; Bryman, 2012), the researcher had included as much information as was available at the time.

The themes that guided the semi-structured interviews (marketing, understanding of green activity, and green marketing), provided the researcher with what to look for within the data when analysing the transcripts. The same method was applied to texts that were collected (Bryman, 2012; Gelo et al., 2008). Texts that were of no relevance to assisting in understudying BOS Ice Tea's marketing practice were discarded (Miles and Huberman, 1984) i.e, those that had no connection to marketing practices, or that of BOS Ice Tea.

Once it had been determined which forms of data were of relevance to understanding both BOS Ice Tea and their marketing practices, the researcher was able to use these sources to aid in all the research aims. This allowed the researcher to compare theory against what was found through the consolidation of sources, and to make the best possible judgment of what the data contained (Miles and Huberman, 1984; Yin, 1994).

Findings provided for the basis of a critical discussion on how the information contributed to the research aims and goals, and assisted with the development of a Green Marketing Mix for the company.

The above analysis is a triangulation of sources, that is, being able to consult all the data sources to establish converging lines of inquiry (Bryman, 2012). This ensures that the findings are rich, robust, well developed, and comprehensive. This becomes important with qualitative data as opinions and motives become stronger if found through multiple sources. In addition, data sources that were consulted had differences in publication dates, settings (public versus private), and perspectives (Bryman, 2012) This allows the researcher to compare how opinions, motives, and accounts have changed or remained the same (Bryman, 2012).

### **3.8 Validity and reliability**

According to Bryman (2012, p. 389-390), “validity refers to whether you are observing, identifying, or ‘measuring’ what you say you are”. Thus, validity is used to identify the degree to which one’s research is trustworthy, credible (from legitimate sources), dependable and confirmable (Bryman, 2012). Below the forms of validity that were used will be described.

Gelo et al. (2008) show that the use of descriptive and interpretive validity is ideal when it comes to a longitudinal study that involves interviews. Interpretive validity is concerned with the degree to which descriptions of settings and context are explained (Gelo et al., 2008). In other words, the data is authentic and does convince the reader that a given social context is

credible, and the data that has been yielded is trustworthy. By having many sources to analyse, interpretive and descriptive validity was strengthened.

The use of construct validity was used, which ensured that a lot of external data sources to those being interviewed were used, this way a chain of evidence was built to support findings (Bryman, 2012; Gelo et al. 2008).

Reliability is considered to be the degree to which the research can be replicated (Babbie; 2010; Bryman, 2012). In quantitative work, reliability is easier to measure as a researcher is working with fixed data based on statistical or mathematical analysis. In qualitative research, it is not as simple as putting data in a computer to analyse. Reliability in qualitative research is a measure of quality within qualitative work. Reliability is then a case of the researcher having used authentic data sources to enhance the dependability of the findings, and the consistency of these findings throughout the data analysed.

This study wouldn't be challenging to repeat given the method used. Further, all the data that had been used was publically available.

### **3.9 Ethical Considerations.**

It is important to note that the matter of ethics is not primarily considered with data collection, but the entire manner in which the research is conducted (Ryen, 2004). Which without careful consideration and exploration can lead to not only legal sanctions against the researcher, but long term psychological, emotional, and in some cases, physical harm to both participants and the company in question (Babbie, 2010, Bryman, 2012; Neuman, 2007; Ryen, 2004).

The work presented, in line with both intrinsic moral obligations and national legislation, has to be authentic (Babbie, 2010; Bryman, 2012; Neuman, 2007; Ryen, 2004). Sources used to create foundations of the study are genuine and have not been plagiarised.

Whenever research involves participants, there are many factors that one has to consider. They do vary between types of experiment, especially when it comes to the two different paradigms – qualitative and quantitative. Authors such as Babbie (2010), Bryman (2012) and, Ryen (2004) all agree that despite research type, the following had to be considered; 1) all participation is voluntary and that participants are allowed to withdraw at any time; 2) there is no harm to participants; 3) anonymity and confidentiality with data; 4) there is no deception; and 5) benefits of the study have to be provided i.e. feedback to participants if they should request it. The above was stated before the interview began, and the recorded agreement to proceed knowing the above allowed the interview to continue. These principles had been adhered to during the data collection process too.

Before any form of research had begun a proposal outlining the processes and procedures of the researcher's intentions had to be put forward to the Rhodes Business School. Here, along with the Commerce Higher Degrees Committee, a panel of academics consult and scrutinise the proposal and provide levels of approval which is then sent back for adjustments and corrections (van Niekerk, 2013). In this way, and in line with what Babbie (2010) and Bryman (2012) suggest, this research had been approved by a committee of recognised academics and by a panel specifically designated to evaluate research proposals.

BOS Ice Tea had been approached prior to conducting any investigation and it was requested whether or not the research could be undertaken. In addition, the company agreed that they could be named publically (Rushmere, 2015).

### **3.10 Conclusion**

Methodological considerations are essential in ensuring that the research project can be done in amannerto minimise potential shortcomings. Qualitative research is concerned with describing and explaining; therefore, the research design must be based on this focus (Babbie, 2010). This chapter has presented an overview of all the relevant methodological

considerations, procedures, participant and sampling method, research design, data collection, processing, analysis, validity, reliability, and ethical considerations.

## CHAPTER 4

## FINDINGS AND DISCUSSION

### **4.1 Introduction**

This chapter will present the findings and discussion from the data obtained within the information sourced, and from the semi-structured interviews conducted. The first part of this chapter organises data according to the research objectives (leaving out the development of a marketing framework for the discussion), whereas the second half addresses the importance of the data obtained against the research objectives.

### **4.2 Findings on BOS Ice Tea's current marketing practices in sustainability and how they might contribute to marketing**

BOS Ice Tea promoted itself as a healthy beverage, one that had various medicinal properties and ancient ingredients (BOS, 2014a, 2014c; Food Review, 2011; Rolando, 2011). It additionally highlighted the organic rooibos ingredient that was used to sell itself in all of its markets (BOS 2014c; Rolando, 2011; Silicon Cape, 2011). Further, in all of its products packaging it featured the following statement, “BOS plants 1 tree for every 2000 cans sold” (BOS, 2014b). This was furthered by the company’s website, under their ‘sustainability page’, of how they planned to curb carbon dioxide emissions through the planting of more trees - their goal was to plant 50 000 by 2020 (BOS, 2014b). Lastly, and more importantly, there was a significant emphasis on the farming of rooibos and its organic practices (BOS, 2014c; Food Review, 2011; Rolando, 2011; Silicon Cape, 2011).

Laufer (2003) and Serry (2010) would argue that the above would lead one to think that the brand promoted sustainability and had a green product.

Rushmere (2015) had stated that “it’s [BOS] a sustainable company, and one of the reasons for that is that we are...promoting effectively the use of rooibos”. He further added that by

farming rooibos they were contributing to its (rooibos) global growth whilst keeping people employed, two things that South Africa desperately needed. “Richard’s farming methods are ethical, and organic, and biodiverse...those are the values that underpin what we do”, Rushmere (2015) further added.

On the contrary, it appeared that Bowsher (2015) disagreed, “BOS Ice Tea has not positioned itself as a sustainable company at all, and if the consumer sees that, it is ok” (2015). Bowsher further added, “we are careful around making statements that are transformative, as the green consumer likes to over analyse...we are not claiming to be a leader here, we don’t want to claim anything as the market is not ready for it”.

The rooibos was grown and harvested on Klipopmekaar (2015a, 2015b), however, as Bowsher (2015) has stated, “[it] is going to end soon as we cannot produce enough to meet the demand”. Further, it was discovered that the supply chain spans over four countries, namely; Namibia, Belgium, Germany, and South Africa (Bowsher, 2015; Rushmere, 2015). This was due to the nature of their packaging and the manufacturing processes behind them i.e. cheaper to do it in these above mentioned areas (Rushmere, 2015) – not making the product fully produced in South Africa. This becomes problematic as it assumed that BOS Ice Tea is 100% a South African product (BOS, 2014c; Rolando, 2011; Silicon Cape 2011), and whilst there is no statement suggesting otherwise, this should be clarified if the company is seeking to have a green marketing strategy.

There is clearly a mismatch between what is believed and what is perceived. Or rather, and like Peattie and Crane (2005) would observe, there a misunderstanding of what it means to be sustainable on the one hand, and to have a green product on the other. After some time during the interviewing process, Rushmere (2015) informed the researcher that the company cannot be sustainable due to; 1) organic sugar is too expensive to source in South Africa, 2) there is a monopoly on can production i.e. production company charges exorbitant fees on carbon neutral cans, 3) natural flavours are too expensive and hard to produce, 4) niche markets in America and Europe can turn a profit on green product, but the South African market is not ready, and 5) BOS Ice Tea is a bridging product, one that is taking the “healthier alternative” to carbonated, and energy drinks. Thus, the company had been taking a step towards being a

sustainable and organic company, but never was one (Rushmere, 2015). The reason for this, as Rushmere (2015) suggests, is due to the competitive market they are currently in, Coca-Cola and Unilever have more capital than BOS Ice Tea, and thus all efforts must be made on executing a land grab.

The above was complimented by the activity on their social networks (Facebook, 2015; Instagram, 2015; Twitter, 2015), that is, there were significantly low frequency of posts around sustainability/green practices versus that of their other media posts. More precisely, there appeared to be more effort on their creative intervention marketing strategy and below the line campaigns, than there was on their legacy marketing or green initiatives.

It can then be suggested, based on what had been found that there was to a certain degree the assumption that the company was sustainable and produced a green product (BOS, 2014a). Further, whilst there was no intention to market themselves in this light (Bowsher, 2015), it was a defining feature of their packaging (Cape Town Magazine, 2015; Leshilo, 2014) and was one of the most striking elements of the can – especially one looks at the products ingredients (Cape Town Magazine, 2015; The Die Line, 2011). The website too has a large section on sustainability which only points towards legacy marketing, but no data on how exactly this impacted the company, or what their other efforts they had (BOS, 2014b) i.e. supply chain, employment, or sourcing of ingredients. What can be observed was that sustainability was acknowledged for what it was, and the potential that it does have.

According to Bowsher (2015), marketing is rendered pointless if it is all about sales and branding, as he says, “getting a can in a hand”. However, he did not completely throw the concept away, much preferring marketing from a stakeholder point of view, “it is about getting stakeholders to be happy...it is about driving sales from a stakeholder point of view” (Bowsher, 2015). In comparison, Rushmere (2015) believes marketing to having a “holistic way of communicating and having a dialogue, and not only with the sole purpose of selling product”.

This terminology and way of thinking is in line with the 3Ps, and that of green marketing (Cronin et al., 2011).

The legacy marketing initiative seemed to address sustainability, after all, the campaign clearly mentioned that it sought to curb carbon dioxide emissions, and cater for ‘undergreening’ areas (BOS, 2014b). The campaign has planted around 9500 trees, with a 80% survival rate (Rushmere, 2015), and used both sales and virtual planting (mobile app) as an incentive to plant more (BOS, 2014b). “We don’t control our own production so it’s very difficult to influence becoming carbon neutral... we tried to effectively alleviate our damage by planting trees, and doing that in a way in areas that needed upliftment” says Rushmere (2015). However, and more controversially, Bowsher (2015) says, “We have done nothing with it, even though it is part of our marketing plan”. This leads one to look at the campaign and see it as a form of green washing (Laufer, 2003).

In addition, the legacy marketing campaign reached out to young surfers from disadvantaged areas who were supported by the brand in hope that they could become global sports men (Rushmere, 2015). This piece of information was not available online, nor did it come up in any documents – such a campaign could be to the company’s advantage (Fuller, 1999), and add to a green marketing strategy (Gittell et al., 2012)

The core functions of BOS Ice Tea from a marketing point of view were, according to Bowsher (2015), “introduce our product that generates surprise, delight, and joy”. This was in line with the creative intervention strategy that was found in the literature (Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011). “Our marketing strategy is to be inventive to give something in return for somebody’s attention”, says Rushmere (2015). It needs to be understood that whilst sales incentives do work as a strategy within marketing (Kotler, 2012), it does not address the needs of the Earth (Lavidge, 1970; Peattie and Crane, 2005), nor will it fuel a green marketing framework (Gittell et al., 2012).

Lastly, it should be noted that both Bowsher (2015) and Rushmere (2015) had mentioned that their favourite marketing campaign was that of BEV, the vending machine – a creative intervention campaign.

### **4.3 Discussion**

The purpose of this research was to develop a 4P's Green Marketing Mix for BOS Ice Tea based on both the work of Gittell et al. (2012), and Ottoman (1998). These were the research goals:

- A. To identify and review the company's current marketing paradigms relating to green marketing against Ottoman's (1998) paradigms
- B. To compare BOS Ice Tea's current marketing practices, strategies, and paradigms around sustainability against Gittell et al. (2012) work.
- C. To develop a 4 P's Green Marketing Mix

This section aims to address these goals through analysing the extent to which they were answered through the analysis, to discuss how they fitted into the Ottoman's (1998) paradigms, a to develop a 4 P's Green Marketing Mix in alignment to Gittell et al. (2012).

#### *4.3.1 Understanding BOS Ice Tea's marketing practices, strategies, and paradigm around sustainability, and to research where it can be used in marketing*

BOS Ice Tea is a South African company that produces and sells premium ice tea, and was expanding its operations and sales globally (BOS, 2014c; Bowsher, 2015; Rolando, 2011; Rushmere, 2015; Silicon Cape, 2011). Whilst it did try to green its corporate buildings (Bowsher, 2015), incorporate a sustainable/organic ingredient within its final product (0.1%), engaged in a planting tree campaign (BOS, 2014b; Bowsher, 2015; Rushmere, 2015), the

company itself did not produce a green product, and was not a sustainable one (Bowsher, 2015).

The product was sold as a premium healthy drink in the RTD market, and wanted to become the market leader (Bowsher, 2015; Rushmere, 2015). According to Bowsher (2015), BOS Ice Tea does not overtly seek to dominate and threaten the market, but it does hope to indirectly.

The current marketing strategies and practices of the company are then to increase sales and get cans into hands through clever and creative means (Bowsher, 2015; Rushmere, 2015). Whether it was allowing consumers to design cans, skateboards, and even surfboards, the marketing directive was to be as colourful as possible without making too much noise (Bowsher, 2015; Rushmere, 2015). This goes hand in hand with the presence the company created at the events it attended and sponsored (BOS, 2015a, 2015c; Rolando, 2011) - they looked to enhance the atmosphere whilst aligning to current fashion trends (Bremmen, 2012; Cape Town Magazine, 2015; Rushmere, 2015), art (Bosdesigner, 2015; Cape Town Magazine, 2015; The Die Line, 2015), music, and outdoor sports (Rushmere, 2015).

There was the suggestion that the production of their rooibos might be moving away from Klipopmekaar due to the lack of supply to meet BOS Ice Tea's demand (Bowsher, 2015) – which potentially leads to an inorganic rooibos solution. However, in aiming to be a sustainable company, the farm is still a stakeholder, and should not be neglected as a major contributor to not only the company, but in being a valuable stakeholder (Cohen and Robbins, 2011; Cronin et al., 2011; Dean and Pacheco, 2014; Hart, 1997). The farm, after all, is a key element in BOS Ice Tea's marketing efforts, especially as a presence online (BOS, 2015c).

BOS Ice Tea was sitting in a blurred area of green washing, Laufer (2003) would have shown that if on the one hand the product appears to be a sustainable one through its marketing, and on the other, makes no direct claim to be, then there is an ethical dilemma at hand. In fact, there was no mention of the words 'sustainable product', or 'green product' in the sources

(Bremmen, 2012; Bruton, 2011; Cape Town Magazine; Food Review, 2011; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011) unless you search for it on their website or when rooibos specifically is mentioned (BOS, 2014a, 2014b, 2014c; Bosdesigner, 2015; Bosicetea, 2011). If this was so, how then does the consumer know the difference, or how to perceive what is a genuine green product or company, if the sources of information around the product are blurry.

It comes down to the level of education a consumer has (Shrum et al., 1994; Struwig, 2010), and whether or not they can convert the understanding of organic rooibos, or tree planting as being a genuine green initiative, and reflective of the company's actions in being more environmentally conscious. As the research suggests (Banner and William, 2011; Schrum et al., 1994; Struwig, 2010), the more educated a consumer, the more likely they are to be aware of these factors.

The company has some potential to market itself as seeking to become greener, and showcase how they can potentially do so. Laufer (2003) argues that sometimes corporates use green marketing as a reflection of their green intent, and not actually as a something to promote their practices of being green. Rivera-Camino (2005) showcases that many companies have the potential to become greener, and have become green, but they just do not focus on it. For example, Gittel et al. (2012) shows that a company can be greener if it does some of the following; changes its ingredients to be greener, promotes recycling campaigns, and shares logistic routes with other companies. These points have been highlighted previously, but will be incorporated into BOS Ice Tea in the coming sections.

#### *4.3.2 Marketing paradigm fit according to Ottoman (1999)*

Ottoman (1999) clearly distinguishes between what is considered conventional and green marketing. Ottoman (1999) uses four categories to distinguish the two marketing paradigms; consumers, products marketing and communication, and corporate. Table 1 clearly shows this and how the two differ, this section will highlight where the company is framed. This

will assist in pin pointing what needs to be focused on to suggest how BOS Ice Tea can become greener, and what to focus on for the development of a suggested 4P's Green Marketing Mix.

#### *4.3.2.1 Consumers*

It is evident that the objective of the BOS Ice Tea (BOS, 2015a, 2015b, 2015c) and its founders (Bowsher, 2015; Rushmere, 2015) were to be seen as a healthy drink. As Rushmere (2015) states, "at the very simple level we want to be seen as healthy can be cool... just as he [the consumer] does with a can of Red Bull or a can of coke".

The product then, as Ottoman (1999) would categorise it, would be that of a lifestyle orientated product, rather than the pursuit of wellbeing for human beings. Even if Rushmere (2015) states that it is healthier than its counterparts and relies on its rooibos ingredient (BOS, 2014c; Food Review, 2011; Rolando, 2011), it is not the sole focus of the company to improve the health of consumers, or the environment.

The result is that of a conventional marketing paradigm (Ottoman, 1999). Whilst both Rushmere (2015) and Bowsher (2015) did not have this intention, it has been observed that this is the case. It needs to be noted that drive to being creative and to create a legacy is also one that incentivises the sale of the product. This compliments the literature on BOS Ice Tea's marketing strategy as well, (bosdesigner, 2015; Cape Town Magazine, 2015; Rolando, 2011), but it does not justify their use of organic terminology, or sustainability within their marketing messages. Effectively this places BOS Ice Tea on Ottoman's (1999) conventional marketing side.

#### *4.3.2.2 Products*

The product itself is not 100% sustainable (Bowsher, 2015), that is, it uses inorganic ingredients and cannot simply afford to use only organic constituents (Rushmere, 2015).

Bowsher (2015) confirmed this by stating, “We do not have the power to do small things like focusing on how to be sustainable”. The findings of Benner and William (2011), along with that of Bikram and Ghosh (2013), point towards this issue; it takes a large amount of investment to become a sustainable company. Further, as McNall et al. (2011) demonstrate, creating green products is not a risk to the Earth, but rather one of finances.

There is not enough information on how or where the product is produced. However, what the research does provide is the following: 0.1% of the product is organic rooibos produced in South Africa; there are four countries that produce the product (Namibia, Belgium, Germany, and South Africa) to reduce logistical costs; the product is not carbon neutral; organic ingredients have been found to be too expensive (especially sugar and flavouring); and the packaging is recyclable (BOS, 2014a, 2014b, 2014c; Bosdesigner, 2015; Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Design Indaba, 2015; Facebook, 2015; Food Review, 2011; Instagram, 2015; Klipopmekaar, 2015a, 2015b; Miista, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011; Twitter, 2015).

There is not enough evidence to suggest that this product is not produced with the entire lifecycle in mind, nor has it been stated that it is (Bowsher, 2015). There are also no hints at other ingredients, besides rooibos, being organic or farmed ethically. However, Rushmere (2015) noted that, “in Europe our product is fully organic, 100% organic, so our sugar is organic and everything else’. There was no clarification as to what ‘everything else’ included, or if indeed this statement can be justified – no documentation supports this claim.

With very little marketing activities justifying the packaging being green (BOS, 2015b; Facebook, 2015; Instagram, 2015; Twitter, 2015), and the lack of information on any other ingredient besides rooibos being farmed ethically, and no evidence of cradle-to-cradle activity. BOS Ice Tea finds itself within a conventional marketing paradigm when it comes to the product category in Ottoman’s (1999) table.

#### *4.3.3.3 Marketing and communication*

The position of the company at the time was expand and to sell as much of the product as possible (Bowsher, 2015). It drives this campaign by the health claims its makes and the lifestyle it sells (Bowsher, 2015; Food Review, 2011; Rolando, 2011; Rushmere, 2015). The company appears to be a lot more colourful and fun than its competitors as well (Rushmere, 2015).

There was no evidence of educating consumers to be greener, and whilst there was some communication on their values i.e. planting trees and using organic rooibos (BOS, 2015a), there seemed to be a lack of focus on it. Thus, it appeared to be that the message that was getting out was that it was a product that was organic (BOS, 2015a; Rolando, 2011), healthier, fun, refreshing, and indeed more colourful than its competitors (Bowsher, 2015; Rushmere, 2015). This placed the company's marketing paradigm as conventional in Ottoman's (1999) marketing paradigm table.

#### *4.3.3.4 Corporate*

BOS Ice Tea had gone corporate and away from the start-up directive that the founders had initially in order to maximise market share (Bowsher, 2015). It reacts to what the market needs, and ensures that it generates a presence around events and activities that are aligned to its branding strategy (Rushmere, 2015). Offices had spread across the continents (Bowsher, 2015; Rushmere, 2015), and departments were becoming more independent as the company grew. This, according to Ottoman (1999) made this company a reactive one, which sought value of the profits it made.

Further, due to the nature of its operations, being different depending on the market demands, the company also had independent departments. Which according to Ottoman (1999) results in a loss of cohesion and group think, and a drive to objectives i.e. there is almost no chance of employees wanting to act beyond what they are asked to do. However, as Bennet and William (2011) have noted, independent departments can be more focused and connected,

especially with the internet. With what had been observed, it could be suggested that the interconnectivity of their departments was most certainly driving towards a conventional paradigm even if there was the possibility, as suggested by Bennet and William (2011), for flexibility in thought.

It should also be noted that the company was indirectly proactive through the outsourcing (GreenPop; 2015) of its tree planting initiative (Rushmere, 2015), which is in itself directed at being long-term orientated. This places the company's marketing paradigm as conventional in Ottoman's (1999) marketing paradigm table.

#### *4.3.3 What does this mean?*

BOS Ice Tea communications were focused on getting cans into hands, but more so for people who were seeking to have a healthier lifestyle (Bowsher, 2015; Rushmere, 2015). Coupled with all their marketing efforts (BOS, 2014a, 2014b, 2014c; Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Facebook, 2015; Food Review, 2011; Instagram, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011; Twitter, 2015) it is evident that their end goal was that of sales through the promotion of health benefits. It is important to note that just because something is promoted as being healthy it does not make it environmentally friendly (Kotler, 2011).

The above, according to Ottoman's (1999) typology for marketing paradigms, is quite straightforward. BOS Ice Tea operates within a conventional marketing paradigm, which provides a lot of opportunity to create, and guide the development of a 4P's Green Marketing Mix (Ottoman, 1999).

#### *4.3.4 Creating a 4P's Green Marketing Mix according to Gittell et al. (2012)*

It is important to understand that Gittell et al. (2012) work on the premise that to be a green company is a challenge, but one that is a lot more beneficial for stakeholders than any other

current model a business could be working on. Further, and more importantly, the consumer is not the only stakeholder, and not the most significant – this is where many businesses get it wrong (Belz and Peattie, 2009). Cost reductions from being sustainable end up affecting the consumer last, not first (Belts and Peattie, 2009). It therefore makes sense to have a green marketing strategy to promote not only green behaviours, but ethical practices too (Gittell et al., 2012; Belz and Peattie, 2009).

BOS Ice Tea is a company that has put effort into making their offices greener through the use of recycled cans and materials (Bowsher, 2015). They have also maximised their core ingredient's agricultural practices in some regions of the world (Bowsher, 2015). The following section addresses what can be done through addressing the 4P's of marketing, and how they can be greened as well through using Gittell's et al. (2012) Green Marketing Mix.

#### *4.3.4.1 Greening product*

Each ingredient that makes the product needs to be looked into to verify their farming claims, or to source new ones that are sustainable (Gittell et al., 2012). This ranges from the manner in which the land is treated, all the way through to the manner in which the crops are maintained (Gittell et al., 2012).

Packaging too has to be relooked at, Gittell et al. (2012) offers many ways in which this can be done through; greening packaging material, greening packaging ink, treating all stakeholders that handle the product more ethically, and to introduce a cradle-to-cradle approach. As we have seen before, Ottoman (1999) further shows a cradle-to-cradle approach to not only be effective as a business tool, but also the correct direction for a green marketing paradigm. This paradigm also highlights that in becoming greener a company has to also become more flexible with its approach to packaging, and sacrifice quality at times to have a reduced impact on the planet (Ottoman, 1999).

As a starting point, like that of Coca-Cola (2014), BOS Ice Tea can put more effort into making it evident where their product is manufactured, that they are a South African product, that uses local ingredients. The same applies to their legacy marketing campaign (BOS, 2014a, 2014b; Rolando, 2011), more information about where trees are being planted, and why they are needs could be communicated.

#### *4.3.4.2 Greening price*

As a premium product BOS Ice Tea is priced higher than other RTD products (Bowsher, 2015), which also means it aims to tailor for the middle class person and above. With this aside, one has to question if the price they are paying for their constituents of the product and the supply chain is fair and ethical (Belz and Peattie, 2009; Gittell et al., 2012). There is no data to support exploitation of anyone or resource, but it would be fruitful, as Cokins (2009) suggests, to discover if the company is simply looking for the cheapest alternative or the best component. Further, is the legacy marketing campaign a part of their corporate social responsibility spend, or incorporated into price. In saying this, BOS Ice Tea should make it more explicit as to how much money is going into green initiatives – this could be done through an annual report or by showcasing it. Further, if 2000 products are equivalent to one tree, is it ethical to use different product volumes to count as one product. In other words, why should a can versus a bottle (which is significantly different in volume and price) have the same weight in dictating how many trees are planted. Surely the consumer should have a greater impact for purchasing a higher volume than just a single product of BOS Ice Tea.

The only way to move into a green marketing paradigm (Ottoman, 1999), and to create an effective green marketing campaign (Gittell et al., 2012), would be to educate consumers on BOS Ice Tea's values, and show case where they are being proactive. The information available on this suggests that the company plants and promotes their trees, but not in a manner that has allow the consumer to dictate their impact.

It should be noted that the planting of trees is not done to curb the emissions of the manufacturing process (BOS, 2014b), but more so to develop ‘undergreen areas’ (Rushmere, 2015). As Gittell et al. (2012) suggests, if the consumer is paying for something to be done, they should be made aware of it and have some say as to what is done with it. Especially if it is being used to plant, grow, or donate to a cause (Gittell et al., 2012).

#### *4.3.4.3 Greening place*

The manner in which products are distributed is essential to making the product greener, that is, supply chain management and maximising logistics can both save money and reduce one’s impact on the Earth (Belts and Peattie, 2009; Cohens and Robbins, 2011; Gittell et al., 2012).

There is not enough information (Bowsher, 2015; Food Review, 2011; Rolando, 2011; Rushmere, 2015; Silicon Cape), again, to shed light on how BOS Ice Tea manages their supply chain. However, with production taking place in four countries (Bowsher, 2015; Rushmere, 2015), it is assumed that there is a lot of effort to move ingredients from SA to other countries, and then to distribute them to where they need to be sold. In other words, by having a production centre near to where consumers purchase the goods, you eliminate the need for transportation to that region (Gittell et al., 2012)

BOS Ice Tea can easily share logistics with other companies to reduce their impact, which could open new routes to new places indirectly (Gittell et al., 2012). Further, production of products could be localised in core areas of their markets to reduce the need to travel back and forth between places (Gittell et al., 2012) – which is the case with the location of the Belgium and German production factories (Rushmere, 2015). There is also room to open their online shop beyond South Africa.

It is evident that there are efforts to reduce ingredient costs by manufacturing products abroad, since most of the organic produce is not in Africa (Bowsher, 2015; Rushmere, 2015) which therefore lowers need to pay more for logistics. There is then an open opportunity to

show how the company is greening their supply chain, even if it was unintentional (Gittell et al., 2012).

As Ottoman (1999) shows, the move to being holistic with all operations of the company is the only way to become greener. In addition, if there is more co-operations with stakeholders, the company itself is becoming sustainable as it takes everything and everyone into considerations (Ottoman, 1999). This, coupled with the above points, give an opportunity to a greener place.

#### *4.3.4.4 Greening promotion*

The company focuses on below the line campaigning and that of creative intervention (BOS, 2014a, 2014b; Bosdesigner, 2015; Boticetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011). This comes in the form of press releases (BOS, 2015a., 2015b, 205c), exhibitions, activations, table talkers, stickers, designer initiatives, and social media usage (Bosdesigner, 2015; Boticetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011). By using these channels the company has an opportunity to showcase their partnership with GreenPop, green efforts within their company, and how they intend to do more to be a greener company (Bowsher, 2015, Rushmere, 2015).

As Gittell et al. (2012) show, there are other opportunities to be greener; fridges and promotional material that the company use could be made out of recycled materials, or creating initiatives that reuse their packaging as a form of art or other functional uses. The intention is to promote the future orientation of the company – to be greener (Gittell et al., 2012). Whilst it takes time to become a sustainable company, so does buy in – thus, initiating it creates more urgency and more a will to change (Belz and Peattie, 2009; Cohen and Robbins, 2009; Gittell et al., 2012).

In all of this research there has been a scarcity of any effort to promote the company as a South African one (BOS, 2014a, 2014b; Bosdesigner, 2015; Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Facebook, 2015; Instagram, 2015; Silicon Cape, 2011; The Twitter, 2015). This could boost sales in the region simply due to consumers wanting to buy local, or support local companies.

Whilst consumers vary in educational levels, their intention to go green, coupled with the stigma to purchase green, BOS Ice Tea has placed itself within the gap and not on either side of the spectrum. BOS Ice Tea acknowledges that being greener is of a benefit, but they too understand that their market is not ready for it (Rushmere, 2015). However, in saying that, they do not disregard the future value it has, and that it is an avenue to pursue.

Green promotion is a means to let your consumers, and potential ones too, that your product is not only superior due to its benefits, but because of where and how it is produced (Cohen and Robbins, 2009; Gittell et al., 2012). Education of values, practices, and how the company treats its stakeholders is key to having a green marketing paradigm, and the way forward to a sustainable company (Ottoman, 1999).

#### **4.4 Conclusion**

This chapter has reviewed the data and discussed the findings. It has been established the BOS Ice Tea is not a sustainable company or one that has a green product. In addition, the company is working in a conventional marketing paradigm with indirect efforts of having a green marketing paradigm (Ottoman, 1999). Further, a 4P's Green Marketing Mix allows for the company to become more sustainable through the efforts of its marketing messages, provided they are truthful (Gittell et al., 2012).

## CHAPTER 5

### CONCLUSION

#### **5.1 Introduction**

This research has examined the marketing practices, paradigms, and strategy of BOS Ice Tea within the research method of a single case, qualitative, descriptive case study that used the collection of data from semi-structured interviews and available texts (BOS, 2014a, 2014b, 2014c; Bosdesigner, 2015; Bosicetea, 2011; Bremmen, 2012; Bruton, 2011; Cape Town Magazine, 2015; Design Indaba, 2015; Facebook, 2015; Food Review, 2011; Instagram, 2015; Klipopmekaar, 2015a, 2015b; Miista, 2015; Rolando, 2011; Silicon Cape, 2011; The Die Line, 2011; Twitter, 2015, that utilised a case study analysis, against the research frameworks.

The research has also attempted to understand the company's marketing position, marketing paradigm and marketing efforts around being green. Furthermore, it has also identified concepts that are prevalent in both the literature and findings.

#### **5.2 Summary of research findings**

BOS Ice Tea currently operates within a conventional marketing and not a green marketing paradigm, which according to Ottoman (1999) does not leave the company at a disadvantage, but rather one that will lead to one sooner than later. It is also evident that there is potential for the company to move into a green marketing paradigm (Ottoman, 1999), if it so chooses to invest in it.

During the research it was also suggested that the company practice green washing indirectly (Bleby, 2008; Laufer, 2003; Odendahl, 2008; Peattie and Crane, 2005; Serry, 2010), especially since their marketing activity promotes that their product is organic and

sustainable (BOS, 2015a, 2015c; Cape Town Magazine, 2015; Rolando, 2011; Silicon Cape, 2011), when it is actually not (Bowsher, 2015). Considering that green washing is seen as a large immoral act (Bleby, 2008; Laufer, 2003; Odendahl, 2008), the company needs to be mindful of what they say and promote to consumers – especially those more educated (Shrum, 1994; Struwig, 2010). Furthermore, should the company continue to communicate in the manner that they do, they run the risk of being seen as a fraud.

It has also been discovered that there are already practices in place that indeed make the company greener, such as; manufacturing the product in core markets (Bowsher, 2015; Rushmere, 2015), the sourcing of more organic ingredients in foreign markets (Rushmere, 2015), the greening of corporate buildings (Bowsher, 2015), and the efforts to curb emissions through the planting of trees (BOS, 2014a, 2014b; Cape Town Magazine, 2015; Rolando, 2011; Rushmere, 2015). By using Gittell's et al. (2012) Green Marketing Mix, the research has pointed to many suggestions on how the company can adjust its communication strategies and practices to become create a 4P's Green Marketing Mix, and operate within a green marketing paradigm

### **5.3 Value of this study**

This study will provide for an up to date account of BOS Ice Tea and where it stood with regards to its marketing techniques. Researchers who are seeking to profile a South African company and their marketing techniques will be able to use this paper as a source of information. By understanding the problems facing this South African company in becoming greener, students and researchers have a case study to consult as well.

It is also important to point out that the impression that the company creates is that of an organic one at the very least. If a consumer goes further and explores their website, one can also be led to believe that they are sustainable. This leads to manifestation of green washing, and adds to the building literature around this concept. There is more research needed on the scope of this phenomenon as the company clearly does not intend to do this, but has

indirectly has risked this image. This research provides again for a case study on the potential for green washing.

The study has added to the of research on green marketing, to case studies of companies in South Africa, and the potential use of Ottoman's (1999) paradigms and Gittell et al. (2012) 4P's Green Marketing Mix as a means to suggest a way to creating a 4P's Green Marketing Mix.

#### **5.4 Limitations**

The researcher acknowledges that there were problems within the collection of the data and with the manner in which the research was done. This section will examine these and provide for a more critical understanding of how the data was obtained and examined.

The two founding partners had been interviewed successfully, and unfortunately the head of marketing had not been. However, the head of marketing did state that all information available on their website was an accurate reflection of the company's profile. There was also lack of communication from the marketing team, and it would have been a lot more beneficial if they could have had an input. It would have been interesting to see if their answers were any different to what the literature had to say. In addition, the researcher might have found out if there were any up and coming campaigns that would have shed light on efforts to be green, or less so.

There are still a lot of details that are outstanding from this research, such as where all the products ingredients are sourced from, and how they are transported to their final destination. There are hints of BOS Ice Tea wanting to retain its purely organic feel, from the design of the can, to the early press releases of the company's inception. Green companies do come in all shapes and sizes, but it takes years to truly become one, or at least have a product that address the 3Ps fully.

There was also a lack of access to corporate documents and no snowballing of suggestions to find additional data – this should have been added as an additional question in the interviewing process. It would have been great to get hold of an annual report, or something in that line. There was unfortunately no such information available or provided.

## **5.5 Recommendations for further study**

BOS Ice Tea presents many interesting research topics that would help shed light on the business and marketing environment of South African companies. There are a lot of interesting themes that BOS Ice Tea brings forward that could be further investigated, such as; 1) questioning the need to expand and grow before becoming green, 2) ethical dilemmas in waiting for consumers to make green purchases versus that of companies forcing them through incentives, 3) are premiums on green products the solution, and 4) how many companies that have started in South Africa stay and become green?

Should a researcher decide to further investigate BOS Ice Tea's sustainability and efforts to become greener it would be advisable that that more interviews are arranged with representatives from all stakeholders, perceptions of the brand from a consumer point of view need to be added, and access to supply chain management is also needed. This would allow for a comprehensive and in-depth review of the company, and a more accurate picture on both the company's marketing paradigm, and creation of a 4P's Green Marketing Mix.

## **5.6 Conclusion**

The research set out to discover what BOS Ice Tea activities were around marketing, and whether or not they could be used to develop a 4P's Green Marketing Mix. BOS Ice Tea has all the tools to create a 4P's Green Marketing Mix, and the research has also suggested one. This suggestion could be used as a starting point to both having a green marketing paradigm, and to develop a green marketing campaign/strategy. Overall, the research points towards the

potential of the company to become greener, and thus the potential to have a green marketing strategy in place.

The research has also shown that the company does not promote itself as organic in itself or as a sustainable one, however, it does appear to be green indirectly. The extent to which this statement is true would require more research into consumer perceptions. However, a lot of the data leading up to the discussion propagates BOS Ice Tea as a green company. Again, Ottoman (1999) has clearly shown that through their marketing practices there is little attempt to communicate the impact they are having on the Earth. Further, and more importantly, the global pressure and trend to become organic, and to have sustainable practices, has led this company into a dangerous position to be considered practicing green washing. This is furthered by the attempts by BOS Ice Tea to be seen as a healthier RTD product.

In its current form the company needs to address its position with what it considers as sustainable activity, and their communications into whether or not they are an organic product. Whilst their product has made ripples in the market, and has attracted numerous investors, the campaign for sales is more evident than their campaign plant trees, or educate consumers. The company can become greener, and also change its marketing messages, however, it chooses not to as the market is not ready, and this this needs to be reflected in their current marketing practices.

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**APPENDIX ONE:**  
**INTERVIEW QUESTIONS**

**Interview Questions**

*A. Understanding BOS ICE TEA 's Marketing*

- Briefly, what does marketing mean to you?
- What types of marketing does BOS ICE TEA Ice Tea engage in?
- What, in your opinion, has been BOS Ice Tea's best marketing campaign/decision?
- Which market does BOS thrive in?
- Why is this so?

*B. Understanding BOS Ice Tea 's Green Activities*

- Where does BOS produce it's rooibos?
- Where does BOS produce its final product?
- In which countries does BOS Ice Tea currently distribute in?
- Briefly, what does sustainability mean to you?
- What does being green mean to you?
- Is BOS Ice Tea a green and sustainable product?

*C. Understanding BOS Ice Tea 's efforts promote green behaviours*

- What does BOS Ice Tea currently do to promote green behaviours?
- Is the BOS Ice Tea production process (all local) get promoted? How often?
- Do you think a green marketing strategy is needed