

Influence of green marketing on growth of the textile industry:

A case study of leading textile industries in Pakistan

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Abstract

The study investigated the role of green marketing towards the sales performance of the leading textile firms in Pakistan. The study will enable businesses to communicate and educate customers about the part they play in directly influencing global challenges, in tandem with societal consciousness. Mixed method approach has been used as the interviews as well as questionnaire surveys both have been done to gather the data. Textile firms of Pakistan have been taken as a targeted sector. The data has been extracted from the managers and executives of textile firms. In the current research descriptive statistics have been used for quantitative data analysis. The qualitative analysis of the study has shown that the experts recommend that digital advertisements are the best way to increase the sales of the textile companies in Pakistan and it may bring a lot of visitors to the website quickly and provide the chance to engage with clients that companies might otherwise never meet. Designing green products and services from the start is one of the most crucial green marketing tactics. This entails incorporating eco-friendly ideas into the product planning and design processes to make them more environmentally friendly. Green design is the process of making items that are pleasant, flexible in use, energy-efficient, and made to last a long time or be reused.

Keywords: Green Marketing, Growth, Sales Performance, Textile Sector, Pakistan.

Introduction

The organization's performance is viewed as a crucial component of the organizations in the modern environment. If an organization's performance could not be sustained, it would be unable to gain a competitive edge and ensure its long-term existence (Borazon et al., 2022). The organizational decisions relating to the selection of marketing activities and resources are incorporated in an organization's marketing strategy; it was outlined in previous studies of strategic marketing. The most important phrase used in the context of marketing strategy when a firm is pushed to be an environmentally conscious entity is “green marketing” (Mehraj & Qureshi, 2022). Recent statistics show that Pakistan's textile sector produces more than 60% of the nation's overall exports, or around US \$ 5.2 billion. About 46% of Pakistan's total production is generated and exported by the sector (Akhund & Abbas, 2023; Zeeshan et al., 2022). This sector's share of the overall GDP is 8.5%. Textile performance, usually referred to as fitness for purpose, is a textile's ability to survive a variety of circumstances, dangers, and situations, making it suitable for certain tasks. The functionality of textile items affects how they look, feel, last, and are protected (Mahmood et al., 2022).

The Pakistani textile industry is one of the most competitive in the world, with many businesses using materials supplied from around the globe to make goods and consumers from across the world searching for high-quality textiles (Batoola et al., 2022). The sector is actively being promoted by the government, small and big firms, and a highly organized industry. An important source of employment in Pakistan is the textile sector. Millions of people are given work by it, and it considerably boosts Pakistan's economy. The sector also generates a sizable portion of the nation's export revenue and serves as a major source of foreign money (Yasmeen et al., 2022).

Statement of the problem

Despite being in the core of national industrial hub due to its enormous economic contribution, the textile industry is nonetheless plagued by a number of problems that have prevented it from expanding (Mehraj & Qureshi, 2022). Pakistani textile companies' biggest problem is their high manufacturing costs and small profit margin (Khan et al., 2022). Low profitability is typically caused by high operational costs, low income, or, most often, a combination of the two (Tan et al., 2022). Excessive costs are sometimes caused by ineffective operational procedures, which lead to insufficient vehicle utilization, a too large fleet, and an overabundance of employees in developing nations (Maalik et al., 2022). There hasn't been any timely modernization of the machinery and equipment due to a lack of investment as well as other problems including the depreciation of the national currency and rising interest rates (Zhang & Berhe, 2022). The majority of business operations in the textile sector are still done by hand, despite the fact that worldwide procurement procedures have been computerized (Zeeshan et al., 2022). In comparison to the Indian textile sector, which has incorporated the newest technology and released the newest product designs to be competitive in the global textile market, Pakistan is therefore losing its competitive advantage (Akhund & Abbas, 2023). As the topic has not been investigated in the Pakistani context, especially with respect to the textile sector of Pakistan, hence, the research has intended to examine the effects of marketing strategy on sales performance in the textile firms of Pakistan.

Literature Review

A company may serve its target market and meet its objectives without endangering the environment by using a green marketing mix, which is a collection of marketing strategies and components (Zhang & Berhe, 2022). Additionally, it makes product sales easier. Active participation in environmental preservation encourages family and friends to buy eco-friendly

goods, advancing the nation's sustainable development. According to the literature on sustainability, "green marketing" refers to marketing strategies, tactics, and practices that consider environmental issues (Cuc et al., 2022). These actions are intended to increase sales and produce results that meet the organization's and individuals' goals for a given product or product line (Tan et al., 2022). As a result, the idea of a "green marketing mix" refers to the components that are intended to help a company reach its strategic and financial objectives, especially in terms of minimizing its adverse (or enhancing its good) effects on the environment (Zhang & Berhe, 2022). This idea is in line with the idea that every component of the marketing mix should be developed and used in a way that minimizes its negative impacts on the environment. Previous definitions of environmental awareness and green marketing are consistent with this idea of the green marketing mix (Kaur et al., 2022).

Green marketing also entails highlighting a company's products. The main message of greenness may be communicated to clients through sales promotions, direct marketing, public relations, and advertising; the latter two strategies are the ones that are most frequently employed as platforms for a company's green future (Zhang & Berhe, 2022). Going green, which attempts to connect company and community, occasionally calls for a significant public relations effort. Green marketing might accomplish two objectives: promoting products and rationalizing their attributes and costs (Cuc et al., 2022). Companies may effectively tell stakeholders about their commitment to, and successes in, environmental preservation by using green promotion campaigns (Tan et al., 2022). From a tactical standpoint, businesses can implement initiatives aimed at minimizing the negative environmental consequences of their marketing communication activities (Kaur et al., 2022).

For businesses, performance is a crucial concern. Unique, priceless, and challenging to duplicate or replace resources are the main factors that affect how well a company performs. Competitive advantage is also based on excellent business performance (Zhang & Berhe, 2022). While many academics offer comparable definitions of performance, they use different performance measurement standards. Therefore, the performance assessment index to be utilized in a study should be determined by the research topic. The marketing literature lists several benefits of going green, including greater profits and market share, high levels of staff loyalty, improved company performance, and improved capabilities. Environmentally responsible measures also improve client happiness, boost business worth, and lessen security risks to the organization, raising corporate values (Cuc et al., 2022). However, green marketing campaigns can result in lower stock returns. At the same time, using green techniques may result in cost savings. Businesses that cut back on waste-producing inputs and pollutants would benefit from cost-saving benefits (Kaur et al., 2022).

Research hypothesis

H1. Green Marketing significantly impacts and increases the sales of the textile industry.

Methodology

Sample and population

Pakistan's textile sector is quite successful and accounts for over 25% of the nation's GDP. This is brought on by a number of elements, such as the low cost of manufacturing, the accessibility of trained labor, and the affordability of materials and production equipment (Mahmood et al., 2022). Pakistan's textile industry is renowned across the globe for the high quality and wide range of designer textiles, clothes, and textile goods that it produces. This industry's enormous ability to establish a powerful presence both domestically and internationally is its main advantage (Gull et

al., 2022). This indicates that a large number of customers from throughout the world actively seek out goods created in Pakistan, which boosts the textile sector's profitability (Akhuand & Abbas, 2023). Hence, textile firms of Pakistan have been taken as a targeted sector. The data has been extracted from the managers and executives of textile firms.

Data collection

Any dataset gathered by a party other than the one using it is referred to as secondary data (also known as second-party data). Secondary sources of information are quite helpful. They make it possible for researchers and data analysts to create sizable, superior databases that aid in the resolution of corporate issues. Secondary data from annual reports has been taken for the current study (Hair et al., 2019). Surveys and questionnaires are frequently used in quantitative social research to gather data that will aid in understanding people's needs with regard to specific themes. Surveys are used to gather numerical data on the constituents of a population (Corti et al., 2019). Survey method has been used in the study. Furthermore, five-point Likert scale questionnaire has been used to collect data from the customers of textile industry and qualitative interview from top management personnel of the sample population has been done.

Results and Findings

Green Marketing: A Decade in Review

Following figure 1 shows the graphical illustration of the relationship between green marketing and sales performance of the textile sector in Pakistan.

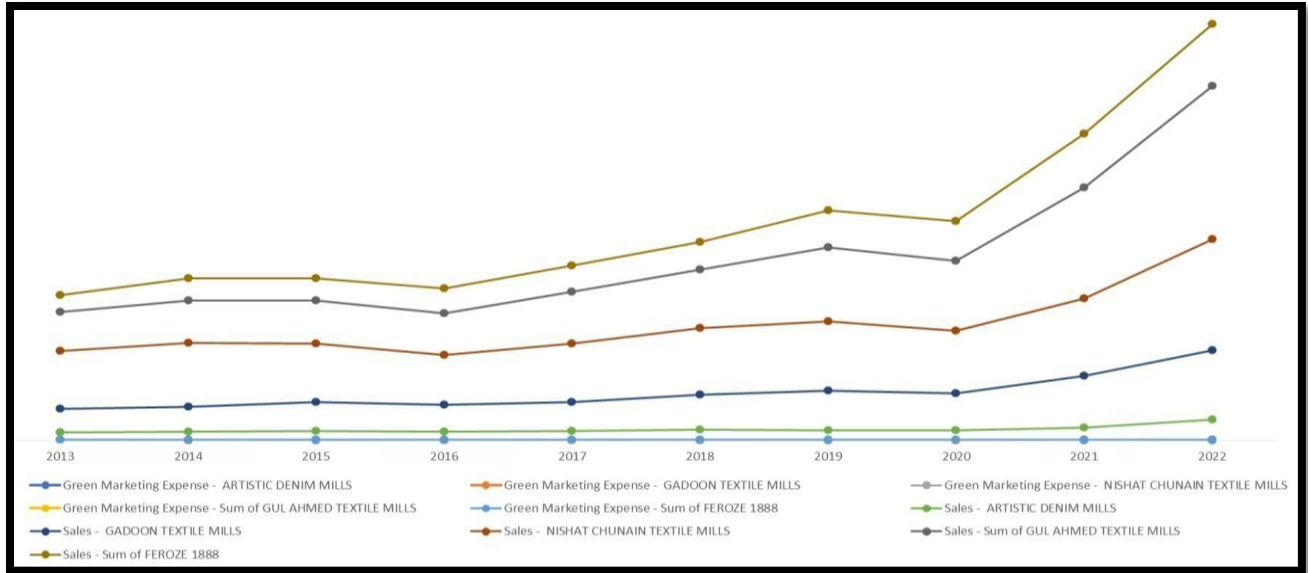


Figure 1: Green Marketing and Sales Performance

Sales at Feroze 1888 have remain in equilibrium from 2013 to 2016 and then started increasing from 2016 to 2019, a slight could be seen from 2019 to 2020 and then a sharp increase in 2020 to 2022. Sales at Gul Ahmed Textile Mills remain somewhat constant from 2013 to 2016 then started increasing in 2016 to 2019, slightly decreased in 2019 and then a sharp increase was observed from 2020 to 2022. Sales at Nishat Chunian Textile Mill saw a similar pattern where it was seen in equilibrium from 2013 to 2015 then slightly decreased in 2015 to 2016, then gradually increased from 2016 to 2019 and then a slight decrease in 2019 but then again started increasing in 2020 to 2022. Sales at Gadoon Textile Mills remain constant from years 2013 to 2020 and saw a slight increment in 2020 to 2022. Sales at Artistic Denim Mills remain constant throughout these years. Green marketing expense also remain constant at Feroze 1888.

Reponses

Table 1 below shows the perspective of the 500 customers of the textile firms of Pakistan.

Table 1: Customers' Perspective Analysis (n = 500)

Questions/Factors	Mean	Std. Dev.
Green marketing is necessary to attract the customers.	3.798	0.694

Green marketing of textile industries is relevant to your daily life.	3.716	0.778
Textile products cannot survive without green marketing.	3.770	0.826
Green marketing convinces you to buy the product.	3.980	0.773
Green marketing is a source of pleasure & entertainment.	3.820	0.778
Green marketing increases your trust on the product.	4.014	0.771
Creates awareness in the mind of the customers.	3.772	0.716
Always influences your purchase decision.	3.806	0.857
Green marketing helps you to get useful information.	3.688	0.849
Green marketing motivates you, to shift from one brand to another brand.	3.764	0.884

Customers' perspective towards the role of green marketing in textile firms of Pakistan has been categorized in the above table. It has clearly been explained in the above table that increasing customers' trust as the most important benefit of the green marketing, followed by convince to buy textile products, and green marketing also consider as source of pleasure and entertainment and green marketing also influence customers buying decisions. Moreover, customers also gets attracted by green marketing in the textile industry followed by awareness of the ecological perspectives also emphasizes sales in textile industry due to green marketing. Importantly, green marketing also plays critical role for brand choice by customers, relevance to customers' daily routine and enhances green useful information.

Qualitative analysis

The interviews conducted for this study has shown that the experts recommend that digital advertisements are the best way to increase the sales of the textile companies in Pakistan and it may bring a lot of visitors to the website quickly and provide the chance to engage with clients that companies might otherwise never meet. With Google Ads, you can target particular keywords to show up in pertinent search engine results. By creating environmentally friendly goods, preserving energy, water, and other natural resources, as well as protecting the climate, we help the environment. Additionally, interviewees stated that they recycle waste water from printing and

dyeing factories for textiles. Additionally, recycle any wastewater produced during wet procedures for textiles. They also reportedly taken care to recycle biodegradable garbage and utilize natural gas as fuel. In addition, some companies employ natural fibers and colors for our materials and clothing to promote green marketing and employ sustainable techniques.

Conclusion and recommendations

Conclusion

This study conducts a thorough analysis of the research in the area of green marketing and emphasizes that businesses who implement green marketing strategies should expect to make more money than those that do not. The new study is anticipated to add to the amount of knowledge already available on green marketing strategy and business performance. Despite encouragement from academics and decision-makers, research on a number of essential aspects of green marketing, such as the link between the green marketing mix and company success, is still lacking. The data was collected using a mixed technique approach, which included both questionnaire surveys and interviews. Utilizing a variety of strategies, research participants are given a voice, ensuring that the outcomes are based on participant experiences. Pakistani textile companies have been chosen as a target industry. The information was gathered from the managers and executives of textile companies since a sizable number of buyers from all over the world actively seek for products made in Pakistan, which increases the profitability of the textile industry. Additionally, a five-point Likert scale questionnaire was employed, and senior management members of the sample population participated in qualitative interviews. Secondary data from annual reports and main quantitative data is collected by survey methodology.

Green marketing is the activity of promoting sustainable and environmentally friendly goods and services. Companies who engage in green marketing get more devoted customers and a strong

reputation for their brands, while simultaneously protecting the environment and fostering a more sustainable future. Businesses may stand out from their rivals and attract customers who are looking for environmentally friendly goods and services by promoting eco-friendly products and practices. By promoting goods and methods with a smaller carbon footprint or made from recycled resources, it may also assist businesses lessen their negative environmental effects.

Practical recommendations

There is a rise in demand for brands to become more environmentally conscientious as consumers become more concerned about the environment. As the effects of global warming have become more apparent, there is a rising demand for environmentally friendly goods, which has led businesses to adopt green business practices in an effort to satisfy this need.

Designing green products and services from the start is one of the most crucial green marketing tactics. This entails incorporating eco-friendly ideas into the product planning and design processes to make them more environmentally friendly. Green design is the process of making items that are pleasant, flexible in use, energy-efficient, and made to last a long time or be reused. Typically related to construction, green design provides a strong alternative to traditional structures by consuming less valuable natural resources and improving occupant health and safety.

Similarly, green pricing is a service that allows consumers to support a higher level of investment by their electric utility in renewable energy technology in the case of renewable energy. Electricity users can show their willingness to pay for the development of renewable energy through green pricing. As people become conscious of their decision to invest in something that will enable them to save money and resources in the long run, it enables consumers to take an active role in sustainability. If green branding characteristics are not adequately communicated, environmentally friendly products will not be economically successful. Green packaging is a further efficient green

marketing tactic. Businesses may use eco-friendly packaging to help entice new environmentally concerned clients. The use of materials and manufacturing processes for product packaging that have a minimal impact on the environment and energy use is known as "green packaging." Customers can see the company's dedication to environmental sustainability thanks to biodegradable packaging. Clients may decide not to purchase sustainable items because of unsustainable packaging.

Another tried and tested way for a successful green marketing is green disposal. Green disposal considers every stage of a product's life cycle; everything, from creation to destruction, must be sustainable. Recycling used goods or materials is considered green disposal since using unsustainable disposal methods may be harmful to the environment and people's health. The development of food recycling programmes and equipment that decomposes food waste has been influenced by green disposal.

The future lies on genuine and credible green marketing. Even while it may appear cheap and simple, greenwashing may lose a business its hard-earned reputation as well as its potential worth and earnings. Over time, green businesses make more money and build a reputation for being reliable and environmentally conscious.

Limitations and future research

This research as like any other study is a subject to several limitations. First off, because the data collection took place over a single time period, it could have been subject to common method bias. Additionally, the fact that all data were gathered in Karachi textile companies restricts the external validity of the study's conclusions. For instance, the state of affairs in a community or nation may have a big impact on the dominant managerial style there. As the study was conducted in Karachi, Pakistan the results obtained by the study cannot be considered generalized. The sample size of

the study is relatively small therefore the results that have been gathered are not comprehensive. Lastly, as the study was conducted in a developing country, organizations in a developing economy generally avoid high risk-taking and proactive approaches towards uncertain situations. Future studies should broaden the variety of subjects they include and investigate if the links shown here hold true across other businesses and cultures. Although the pertinent empirical findings confirm the study's theoretical predictions, researchers advise using multiple time points in future research to effectively reduce the effects of common method bias. Therefore, in order to more thoroughly investigate proposed links, researchers advise future studies to use multi-source data from both subordinates and their supervisors.

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