

Analysis of Corporate Green Marketing Strategy Based on PESTLE Model: A Case Study of Starbucks

Yixin Zhang

Ningbo University, Ningbo, 315211, China
yixin.zhang@gmail.com

Abstract: The study analyzes and evaluates the external environment of green marketing strategy to provide a more in-depth, perfect, specific and timely reference for the strategic decisions implemented by current enterprises in green marketing. The research process utilizes the PESTLE model, taking Starbucks as an example, to analyze the enterprise's green marketing strategy from six aspects: political, economic, social, technological, legal and environmental. The study finds that while companies are facing a green transition trend and the market environment as a whole is pushing them to adopt green marketing strategies, there are still many uncertain risk factors in the current environment, especially in the economic aspect, so a "balanced" development strategy is crucial. This study hopes to provide an effective reference for companies in making green marketing decisions and to help them participate in the current global trend of green transformation and sustainability.

Keywords: Green marketing, Starbucks, PESTLE model, Environmentally friendly, Market.

1. Introduction

Currently, the external macro-environment is changing dramatically due to the environmental problems and climate crisis, the signing of international conventions, the change of national policies, the development of new energy technologies, and the rise of environmental protection topics. In business behavior, "green marketing" is becoming a trend. Whether to follow this trend, how to change their marketing behavior, and what are the challenges of such marketing are all issues of concern to companies. Using the pestle analysis framework, this paper takes Starbucks as an example of a consumer-oriented brand to analyze the specific situation faced by enterprises in implementing green marketing from the perspective of the macro-environment, and to consider its opportunities and challenges. Therefore, this paper not only has an important theoretical value for the research in this field, but also can provide an effective reference for the implementation of marketing decision-making, help enterprises avoid problems, enhance brand image, and contribute to the sustainable development of enterprises and society.

The definition of the concept of "green marketing" has evolved over time. The first term for "green marketing" can be traced back to 1976, when eco-marketing was coined by Hennion and Kinnear, and the concept was defined as "Ecological marketing is concerned with all marketing activities (a) that have served to help cause environmental problems and (b) that may serve to provide a remedy for environmental problems." [1] Nadanyiova et al. found that this concept is liberal and can also be replaced by terms such as "environmental", "ecological" or "eco" marketing. [2] Therefore, the meaning of "green marketing" is constantly enriched, gradually becoming a wide range of concepts, from ecological green marketing to environmental green marketing, and then to the 21st century emphasizes the sustainable green marketing. The key to green marketing is to emphasize the process of discovering, creating and communicating values and concepts related to environmental protection and sustainable development in order to attract and acquire

customers. For the aspect of the impact of green marketing on consumers' willingness to consume, Dangelico and Vocalelli studied that the interest in green marketing is growing rapidly, which shows that the concept is not a passing trend, but an important element in the development of new products, marketing and other aspects. [3] And, Jacquelyn Ottman suggests that among the impact of green marketing on consumers in human generations, Generation Z tends to be more concerned about the environment and therefore green marketing should have the greatest impact on Generation Z. [4] In addition, Correia E, Sousa S et al. conducted a detailed study on the differences in the level of concern for green marketing across different population groups [5].

From the viewpoint of previous literature, although in recent years the academic field of green marketing this field of research continues to increase, there have been many scholars on green marketing on the impact of green marketing on consumer decision-making has been made on sustainable development, green marketing or green supply chain and other aspects of the research. However, a review of the literature shows that few previous studies have used the PESTLE model to analyze the green marketing of brands, and there are even more vacancies in the case studies of this field using this method. This paper focuses on qualitative research, using the PESTLE model to analyze the green marketing of specific brands, combining the PESTLE model with the theme of "green marketing", and using the PESTLE framework to study the current situation of green marketing of brands. At the same time, the study focuses on case study analysis, taking Starbucks, a representative brand, as an example, to deeply analyze the opportunities and challenges of its green marketing. Therefore, the combination of applying the research methodology utilized in this study to the field and conducting a case study is novel.

2. Research Methodology: PESTLE Analysis

This study utilizes a qualitative analysis of Political, Economic, Social, Technological, Legal and Environmental

(PESTLE), a framework commonly used in strategic planning and marketing, the PESTLE approach is often used as a perceptual tool to track external factors that affect their operations. By following the key aspects defined by the PESTLE acronym, the study ensures that it does not overlook any of the major factors that may influence a company's decision-making regarding green marketing, and that it provides comprehensive coverage and systematic consideration of the various realistic or expected conditions and situations that may exist. Through this fully qualitative approach, the study can initially analyze the various advantageous conditions and risky issues facing the implementation of green marketing.

The analytical model can provide investors with a multi-dimensional perspective to fully understand the market environment and analyze the feasibility and impact of the company and their plans to launch new products, services, etc. PESTLE analysis helps companies to improve their strategic thinking and understanding of co-existing factors, optimize the prospects and limit the risks of a given technology path, thus enabling them to make better decisions. Based on the following PESTLE analysis of Starbucks as a case study, it is possible to analyze, evaluate, and ultimately provide an effective reference for the current social context of the company's green marketing decisions.

3. Research Findings

3.1. PESTLE Macro Analysis

3.1.1. Political

Macro-politics: the main emphasis here is on global politics, emphasizing the trend and development of the international environment.

Since the end of the twentieth century, a series of international treaties have been signed to address environmental and climate issues, including the Declaration of the United Nations Conference on the Human Environment (Stockholm Declaration, 1972), which aims to promote global environmental protection and sustainable development, the Montreal Protocol on Substances that Deplete the Ozone Layer (1987), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (1989), which regulates the transboundary movement of hazardous and other wastes and requires participating countries to ensure that such wastes are managed and disposed of in an environmentally sound manner, the United Nations Framework Convention on Climate Change (UNFCCC, 1992), the Kyoto Protocol to the United Nations Framework Convention on Climate Change (1997), the Stockholm Convention on Persistent Organic Pollutants (2001), and the Paris Agreement (2015), among others. From these agreements and actions, we can see that there is a trend of increasing international attention to environmental issues.

Micro-politics: Here we mainly analyze the political and policy situation of each specific country or region that Starbucks, as a case study in the research, faces. At the micro level, although there may be differences in actual policies, most of them are supportive of corporate green measures and make demands on environmental issues. Although the U.S. government over the years on the environmental protection of the more ambiguous, polarized attitudes [6], but still gradually tend to pay attention to issues related to environmental protection, in recent years has also been gradually strengthened on the supervision of corporate

environmental behavior. Such as the European Union's "Green New Deal" aims to achieve carbon neutrality by 2050, which puts forward higher requirements for the green marketing strategy of enterprises. China, which has the largest number of Starbucks stores outside of the United States, has introduced a series of policies in recent years. Companies are encouraged to adopt environmentally friendly technologies and green marketing strategies. For example, Several Opinions on Promoting Green Development explicitly requires companies to reduce pollution and improve resource utilization efficiency. The promotion of policies around the world is also one of the driving factors for companies to implement green marketing.

3.1.2. Economic

Starbucks as a global coffee chain company, its economic environment is mostly affected by the global economic situation. If the economy is in a downturn, consumers have less purchasing power or prices are too high, consumers may be inclined to buy lower priced products rather than pay a premium for being environmentally friendly. Of course, this takes into account the key customer segments that the brand is targeting. For example, Starbucks' green marketing is targeted at environmentally conscious mid-to-high-end consumers, but a tightening economy may still cause these consumers to cut back on spending and prioritize more competitively priced products over the pursuit of sustainability. This makes it possible that Starbucks' green marketing strategy may not attract enough purchasing power to support its high investment in environmental programs. The economic downturn may lead to a decrease in consumers' purchasing power, which in turn affects their willingness to purchase environmentally friendly products, and increased instability, and green marketing may not achieve the desired results. On the other hand, downturn conditions may also lead to alternative scenarios, such as an increase in consumer demand for "sustainable" goods, i.e., high-quality, durable goods, in order to reduce the frequency of consumption, although this may be a practical marketing direction for companies to pursue, and the results of such marketing may not be stable [7].

At the same time, the general economic environment will have an impact on the whole industry chain, such as the price of raw materials in the production chain of Starbucks may also rise, and the increase in raw material prices may increase the production costs of Starbucks. In addition to the increase in raw material prices, the vulnerability of the supply chain as well as the shortage of energy can lead to an increase in the overall cost of the company, which in turn affects the implementation of its environmental protection strategy. Therefore, it is critical to balance the cost pressures faced by the company with the long-term value of implementing green marketing strategies.

Although there are many uncertainties in the current global economy, ESG data is still gradually being taken into account by investors. Each year, many organizations will be based on the data and reports disclosed by each company to the company's ESG score, the company's ESG score has gradually become an important factor influencing investors to invest in the company, investors are increasingly inclined to support the company in environmental protection, social responsibility excellence [8].

3.1.3. Social

On the social side, companies need to take into account the level of consumer awareness of environmental protection,

environmental awareness and attitudes in the market. Looking at the consumer market in different places, the United States is its largest market, he has more than half of the Starbucks stores, numbering more than 15,000, and is mainly concentrated in large cities such as New York, Los Angeles, Chicago and Seattle. Consumers in the U.S. who are more receptive to environmentally friendly products are also concentrated in big cities and coastal areas, so the green marketing strategy can effectively enhance the company's brand image and market competitiveness. And China is one of the fastest growing markets for Starbucks. By 2023, China (including mainland China and Taiwan) has more than 4,700 stores. Among them, Shanghai has the largest number of stores with over 500. Similarly, consumers in Shanghai are more receptive to green marketing and are more inclined to pay for "sustainability", "environmental protection" or "green". Nowadays, with the increasing awareness of environmental protection, more and more consumers start to pay attention to the environmental behavior of enterprises, especially the young generation, high knowledge and high net worth people. The middle and high-income consumers are the main target customers of Starbucks, they are more environmentally conscious, and the influence of green marketing on their consumption behavior is also greater, they are more willing to pay for environmental protection. [9] At the same time, corporate social responsibility and brand image are also crucial to the long-term development of the company. As a well-known brand, Starbucks' environmental initiatives may be noticed and evaluated by consumers. In addition, the popularity of social media has intensified the exposure and public opinion monitoring of corporate environmental behavior, further driving the incentive for companies such as Starbucks to increase their environmental investment. However, this is a high demand on the public image of the enterprise, once the enterprise has dishonest behavior, such as the suspicion of "bleaching green", which will greatly reduce the positive impression of consumers on the enterprise, thus making its green marketing behavior can not reach the expected effect, or even play the opposite role.

3.1.4. Technological

The technological dimension, the development of new technologies has had an impact on the way businesses produce and operate. Currently, with the advancement of technology, renewable and environmentally friendly materials have been developed, which largely reduces the waste and pollution generated by straws and packaging, which may make the production process greener, recyclable and sustainable, thus reducing the environmental impact. [10] The application of information technology can also strengthen the monitoring and management of environmental data by enterprises, which helps them to implement environmental protection strategies for tracking and evaluation, and provides assistance in implementing procedures. In addition, there is the rapid development of new energy sources, which also affects all aspects of enterprise operation and provides help for the sustainable development of enterprises. The application of new technologies is conducive to enterprises to reduce energy saving and emission reduction, low-carbon and efficient development, providing favorable conditions and more possibilities for the implementation of green marketing strategies.

3.1.5. Legal

Legal factors are mainly related to environmental regulations and industry standards issued by the government.

Starbucks, as a multinational restaurant giant, needs to comply with local environmental regulations and ensure that its products and services meet the relevant standards. In addition, international trade laws may also have an impact on Starbucks' imported raw materials and exported products, which in turn may affect the implementation of its environmental protection strategy.

For example, in terms of waste disposal and recycling, the U.S. Resource Conservation and Recovery Act (1976), the European Parliament and Council Directive 94/62/EC on Packaging and Packaging Waste (1994), the Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment, China's Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (1995), and Japan's Waste Management and Public Cleansing Law (1970) all have strict corporate regulations. For water pollution and wastewater treatment, the U.S. Clean Water Act (1972), the Council Directive 91/271/EEC concerning urban wastewater treatment (1991), and China's Law of the People's Republic of China on the Prevention and Control of Water Pollution (2008) all require companies to meet strict treatment standards. In terms of air pollution control, the U.S. Clean Air Act (1963) and Japan's Air Pollution Control Act (1968) require companies to take measures to reduce emissions. Additionally, China's Environmental Protection Law (2014) and the Canadian Environmental Protection Act, 1999 (CEPA 1999) also stipulate corporate environmental responsibilities, while Canada's Greenhouse Gas Pollution Pricing Act (2018) encourages the reduction of greenhouse gas emissions through a carbon tax and trading system. Currently, national regulations on environmental issues continue to place requirements on businesses, requiring Star Individuals to take effective environmental measures to ensure that their operations are compliant with the requirements of laws and standards. Many national and regional governments have introduced incentives and regulations for corporate sustainability, such as carbon taxes, green investment funds and support for renewable energy. Indeed, this has provided a policy dividend for many companies implementing green marketing. The push for green policies has been particularly strong in Europe and, in recent years, in China, where companies have been asked to gradually reduce their carbon footprints. Many astute companies are taking advantage of these legal policy-driven changes to engage in green behaviors. [11] They are trying to find longer-term growth by working with local governments to build a positive brand image, further promote their green projects, and obtain tax incentives or financial support to ease economic pressures.

3.1.6. Environmental

Environmental factors are mainly the impact of changes in the natural environment on business production and operations, which mainly refers to enterprises involved in the primary industry. Natural factors generally tend to support the development of green marketing strategies, and environmental issues are a major concern in green marketing. Starbucks, as a major player in the coffee industry, is also affected by environmental factors and needs to consider the impact of coffee growing on water resources, soil and ecosystems. In addition, factors such as climate change and natural disasters may also affect Starbucks' supply chain and market, for example, climate change may lead to climate instability in coffee-producing regions, which may affect the yield and quality of coffee beans, and in turn affect Starbucks'

supply chain and business stability. Coffee production requires large amounts of water and land, and coffee packaging materials can put pressure on forest resources. These are all realities that companies need to focus on when implementing an environmental strategy.

3.2. Positive Factors and Risks and Recommendations:

Based on the analysis of the external environmental aspects of the marketing strategy according to the pestle framework, the study has come up with the following positive and risk factors regarding the process of green marketing in companies.

3.2.1. Risk factors

economy: the macroeconomic environment is unstable or even poor. This situation will indeed have a huge impact on the implementation of green marketing, the vast majority of companies will choose to save marketing expenditure, the rationality of this behavior is bound to exist.

Society: who will image management pressure and trust risk. Enterprises carry out “green marketing” will inevitably face more social supervision, and shoulder more social responsibility, so we need to pay attention to avoid the “green” suspicion, the establishment of a high-quality social image.

Environment: changes in the natural environment and resources and pressure on the one hand explains the value of green transformation of enterprise production and development, on the other hand, also reflects some of the reality of the pressure, this pressure will be transformed into the economic level, especially when it comes to the primary sector of the raw material aspects of the link. Different types of enterprises need to make choices and trade-offs according to their own situation, paying attention to the balance.

3.2.2. Positive factors

Political: The general political trend is steadily converging towards support for the development of green behaviors in business, and the scope is expanding and deepening.

Social: Consumer attitudes towards green marketing are generally favorable.

Legal: The number of laws and regulations supporting the green development of enterprises is increasing.

Technology: environmental protection technology is developing vigorously, which is conducive to the green transformation of enterprises and increases the possibility of green marketing.

The study found that although the current enterprise in the process of green marketing there may be some risk and pressure problems, the root cause and embodiment of the pressure is mainly focused on the economic level. However, the mainstream trend of green marketing development will not change, the values it promotes are generally positive and generally accepted by the people, and there are driving factors at the political, technological and social levels in the synchronized development. At the same time, these drivers are on the other hand making demands on enterprises, which makes many of them have to consider green transformation. As a result, companies can turn passive requirements into active development and adapt to the situation with a more proactive strategy, actively adopting a green marketing approach and adjusting their development direction and strategy.

4. Discussion

This study focuses on the pain points of the current

enterprise green marketing, taking Starbucks, a representative company, as a case study, and utilizing the PESTLE analysis framework, mainly based on the six aspects of political, economic, social, technological, legal and environmental aspects in turn to make a rational analysis of the current environment for the implementation of green marketing in the enterprise, and focuses on observing the various risks faced by this marketing less means as well as the feasibility of it. Eventually, it can be seen that green marketing by enterprises has almost become a trend, even though there may be fluctuations in its development.

The findings are clearly in line with previous studies that are positive about the trend of green marketing and agree that in the long run, more and more brands will make the green transition and their marketing strategies will change accordingly. However, in contrast to the previous article, the current pressure on companies to go green is significantly greater and enthusiasm has waned. This result mainly stems from the current changes in the form of the global economy, and it is a reflection of such changes in green marketing. At the same time, the study provides new insights into the social dimension of green marketing. Social factors are two-sided for the implementation of green marketing, with pressures and risks as well as push factors.

This study also has many limitations. In terms of finding data for the study, there is less quantitative data and therefore a lack of more specific data as evidence for the analysis, and in general, there is more of an overview and a lack of specific details. In terms of information sources, there is a lack of first-hand information acquisition channels, and the relevant information mainly comes from previous papers, the official websites of the companies under study, and the official websites of relevant organizations. In terms of research results, there are only directional suggestions for the time being, and there is a lack of more specific details of the measures suggested.

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