LISBOA SCHOOL OF ECONOMICS & MANAGEMENT

MESTRADO

CIÊNCIAS EMPRESARIAIS

TRABALHO FINAL DE MESTRADO

DISSERTAÇÃO

GREEN MARKETING: PERSPECTIVA EMPRESARIAL EM PORTUGAL

JOÃO AFONSO GUIMARÃES ROMÃO

JUNHO – 2015

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CONTENT

1 INTRODUCTION

1.1 BACKGROUND

Since the beginning, nature and men have coexisted and, as we all know, with the second taking advantage from the first.

The time is coming when exploiting natural resources wantonly will no longer be a solution to humanity's daily problems.

"The Earth is 4.6 billion years old. If you scale this to 46 years then the human race has been here for just 4 hours. The Industrial Revolution began just 1 minute ago and, in that time, 50% of the Earth's forests have been destroyed".

(Healing Natural Oils, LLC website; 06-2015)

For some time, more precisely since the end of World War II, with the exponential consumption of natural resources, the world started to pay close attention to sustainability. It was easy to reach a conclusion: At the actual rate of consumption the future generations will not be able to live, at least under the same conditions.

Considering that the entrepreneurial tissue is the main responsible for the devastation of natural resources, a new philosophy emerged, one that aimed to implement sustainability practices in the production processes by including it in the value chain.

This study aims to analyze the relation between environmental strategies and the perception of Portuguese managers of its effects on Financial Performance and Competitive Advantage.

1.2 PROBLEM DISCUSSION (STATEMENT)

From social responsibility to environmental concern, companies all over the world have struggled to ensure that they are perceived has clean and caring. The entrepreneurial mindset is not hoping to save mankind but to profit from it and focuses on being ahead of competition and to stand out in the crowd. But are, in fact, Portuguese companies in the forefront? Does a relation between environmental strategies implementation and managerial perceptions of Financial Performance and Competitive Advantage exist?

1.3 PURPOSE

The intent of this research is to study:

1st The entrepreneurial depth over environmental strategies introduction on the company's overall structure;

2nd The perceived overall impact in the enterprise's performance as a consequence of adopting these environmental strategies.

The study was developed focusing specially in the relation between environmental strategies implementation with financial performance perception and the relation between these same strategies with competitive advantage perceptions.

1.4 RESEARCH QUESTIONS

- How are the 1000 biggest Portuguese companies environmentally profiled?
- Can we find an association between environmental strategy and a company's Financial Performance?
- Can we find an association between environmental strategy and a company's Competitive Advantage?

1.5 DELIMITATION

This study focuses on a specific group of companies, more particularly the 1000 Biggest Portuguese companies according to the '*Diário Económico*' publication (December, 2012). Therefore we have limited our study to this specific group.

As a support, a specific guideline was applied to the work based on studies from authors such as Menon & Menon (1997) and Jabbour and Santos (2006) helping us not to deviate from the study's final objective.

1.6 STRUCTURE

This study was organized in order to respond accurately to the questions defined.

From the literature review where a brief discussion of several themes that come by extension is made to the data analysis and its conclusions, the structure of this study aims to explain the concepts involved while gaining ground to the final findings.

Concepts such as Green Marketing, Eco-labeling, Greenwashing, Reputation, Competitive Advantage, Financial Performance, Strategy and decision levels are presented, developed and conglomerate into the basis of this work.

Once the foundation is defined, the presentation of the survey, as well as the data sampling and analysis help us answer the hypothesis and conclude on the theme.

2 LITERATURE REVIEW

The literature review topics are approached in the following order: (1) an overview of the triple bottom line principles in order to understand the stakeholder importance as an ecological key changing factor; (2) the evolution of the ecological conscience; (3) a brief introduction to the concept of green marketing; (4) the notion of ecological label is presented as a response to greenwashing enterprises; (5) how building a reputation affects internally and externally the company, and the competitive advantage as key factor of success; (6) an overall idea of the type of studies that have been done so-far trying to relate ecological to financial performance; (7) and the presentation of three different decision levels, that helps to distinguish the type of environmental decision in a company.

2.1 PROFIT, PEOPLE AND THE PLANET

With the strengthening of the ecological trend the original double bottom line principles expanded to the triple bottom line principles, the main difference being the inclusion of environmental concerns in the foundation for the enterprise's decisions.

The profit, the people and the planet, also known as the Triple Bottom Line (3 P's) concept, intents to restructure companies orientation towards a dynamic yet sustainable world (Gupta, 2011). The business with environmental trends focuses the effort on developing strategies that protect the planet and the people while protecting their interests (the profits).

And, is it possible to develop this kind of strategy to meet the stakeholders' expectations? Yes. In order to develop a good strategy one must first identify the stakeholders involved in the business. Since the stakeholders involved would vary from one type of business to another, "It is through the overlap of the 3P concept with Freeman's (1984) stakeholder theory that the groups that could be affected by green strategies are identified." Smith, Gleim, Ramirez & Martinez (2011, p.160). As an example, the core stakeholders could vary from the single individual (as a consumer, investor or employee) to other enterprises (as suppliers or competitors) or even in the form of major entities such as the government and NGO's. A common statement is that the involvement of the stakeholders in the environmental transformation is crucial. There is a need for companies dedicated to greening procedures to pressure their stakeholders to meet some environmental standards. Hence, it is possible to transform the whole production and supply chain step-by-step, building a clean reputation inside and outside the company, with the guarantee of obtaining the desired greening level.

A sustainability successful example of a leading Portuguese company is EDP - Energias de Portugal which has been present in the Dow Jones Sustainability Index (DJSI) since 2008. In 2012, there were only selected four Portuguese companies to integrate the DJSI World Index which might give us an overview of the importance of sustainability for Portuguese companies in general. EDP is a company that, as a leader, looks out to make environmental practices stand, making efforts to respect the environment in all phases of business processes. Through the value chain, the company ensures that everyone is involved and has the needed skills to develop the cleanest possible business.

2.2 GREEN VERSUS GREED

Since the end of World War II, in a postwar time, natural resources have been exponentially exploited in the world's recovery process. Since then, no one was able to understand what really was happening until the 1960s, when some concerns started to arise. In 1962, Milton Friedman advocated that the social responsabilty of a corporation is to make money for its shareholders. The day was coming, when the world would start to see things differently.

It is later, in 1972, that the *Limits to Growth* publication, by the Club of Rome, warned the world for what was coming. Between population growth and resource scarcity the problem was obvious: it “will inevitably lead to some sort of collapse, with a subsequent decrease in the cultural and economic options of the human race” (Randers & Meadows, 1972, p.20).

Saying that environmental sustainability is essencial to ensure future generations continuity is a common statement nowadays, but still truthful nonetheless. As Smart (2010) states, the environmental consequence of modern living considers that environmental problems derive from the intrinsic growth to the economic system and, therefore, demand “system-wide changes” in response to an emerging ecological crisis. In turn, Polonsky (2011, p.1313) tries to identify the main reason for an ecological slump stating that “The degree to which consumers believe environmental issues are or will become problematic, is possibly related to the disagreement regarding the causes, responses and timeframes in which remedial actions must be taken”. He also added that “for environmental issues, no fixed deadlines exist and there is no media promotion (or even discussion) of the impending environmetal Armageddon.” this is where entrepreneurial minds can focus their efforts on, cleaning the world while sustaining their activities. With green marketing that is possible.

2.3 GREEN MARKETING

Since the reality of environmental harm started to grow and be noticed, many authors sought to incorporate environmental protection in the enterprises managerial portfolio. The obvious position was to develop environmental actions from within the company, searching to develop the cleanest possible entrepreneurial solutions. Green Marketing became a reflection of this will.

In 1995, Lampe & Gazda (p.303) defined green marketing "as the marketing response to the environmental effects of the design, production, packaging, labeling, use, and disposal of goods and services". Later on, Polonsky & Rosemberger III (2001) suggested that green marketing had evolved substantially since its inicial conception. They added that in what matters to knowledge this area developed (much like other marketing areas) their own tactics and strategies. In any case, Polonsky & Rosemberger III (2001, p.22) also see green marketing as a complex tool. In order to be well implemented and allow the achievement of long-run benefits, this complex tool, must be present in all the company's organizational areas in an integrated way, allowing the symbiosis between the green and the enterprise's operations. Adding that, if not properly used, the environmental actions will fail their purposes both environmentally and at the business level. "An effective definition of green marketing, therefore, must integrate transformative change that creates value for individuals and society, as well for the natural environment" (Polonsky, 2011, p.1311).

Therefore a proper green marketing definition must include the several areas of action (from strategy to production and consumption) as well as the idea that the purpose is to reduce any harm that is being done to the environment in the present and in the future.

In order to understand whether a product is in compliance, or not, with the minimum requirements for sustainability, a certain label attached to the product must allow for consumers to identify it as eco-friendly. These labels are called eco-labels.

2.3.1 THE ECO-LABEL RESPONSE TO GREENWASHING

As a response to the environmental pressures, the eco-label "certifies that a given product is environmentally safe or friendly" (Lampe & Gazda, 1995, p. 304) and it is usualy granted by government entities. The oldest label according to history is the Blue Angel seal, which has existed in Germany since 1978, provided by the Federal Environmental Agency. The government or non-governmental entities such as the International Standards Organization (ISO) are the most common to grant this type of certificate. In Portugal, the environmental directive, also known as *Prevenção e Controlo Integrado da Poluição* (PCIP) directive, is in accordance with the *Decreto Lei 194/2000*, from the 21 of August which was revoked and updated by the *Decreto Lei 173/2008*, from the 26 of August. This directive looks to face environmental concerns in a global and integrated way searching ultimately to reduce industrial polution not only in its origin but also in any transfer made during the daily operational routines. The purpose of eco-labeling is to ensure every stakeholder that the labeled product or service is in fact according with several criteria which consequently enables each company to be identified as environmental friendly. According to Polonsky & Rosemberger III (2001), achieving these criteria ensures that companies develop their businesses without harming the environment helping to reduce waste, costs (trough resource efficiency), improve competitivity and the brand image.

In his study, Horne (2009) states that the eco-label system is commonly applied to consumer products and food although it can also be respective to energy consumption and raw materials used in the production process.

This author also considers that lately eco-labeling has evolved. Furthermore he adds that on one side many eco-labeling programs appeared (such as the European Union Flower eco-label and the blue Energy Star label), on the other side, new private voluntary eco-labels that went further than their ancestors in what matters to form, transparency and trustworthiness emerge.

The reason for the existence of this type of control is explained in the next few lines. Although some companies claim to be green, we can certainly identify two different types. One, which includes the enterprises that have good environmental performance and, on the other hand, those that don't. In this second case, when a company claims to be green and, in fact, is not, we can assume that it is practicing greenwashing.

Greenwashing is a misleading entrepreneurial action that gathers both "poor environmental performance and positive communication about environmental performance" (Delmas & Burbano, 2011, p.65). These authors also distinguish between firm-level and product-level greenwashing. The first relating to the erroneous environmental practices of the company and, the second, to the misleading ecological benefits derived from the given product or service.

Summarizing, the eco-labeling becomes very important when greenwashing problems start to arise, as a mean to fight it but also helping to exclude existing pretenders when the green seal is not present. This type of ecological labeling requires that companies submit regularly to inspections in order to maintain their certification. In Portugal this inspection is carried out by the *Inspecção-Geral do Ambiente e do Ordenamento do Território* that underlies the *Ministério do Ambiente, do Ordenamento do Território e da Energia,* institution responsible for the national environmental policy.

To associate an eco-label to a certain product/service demands decision over such marketing tools. To earn the ecological labeling helps building a status recognized by shareholders. In the following chapter the key concepts of reputation and competitive advantage will be presented and discussed.

2.4 REPUTATION AND COMPETITIVE ADVANTAGE

The reputation is very important for an enterprise and is "the essence of what the company does and what it stands for" Fombrun (1996, p.20). According to Fombrun (1996), the company's reputation is a result of four different values: responsibility, credibility, reliability and trustworthiness. In order to enhance its reputation, the firm must consider every stakeholder and work in order to be perceived as driven by integrity. It is through the environmental responsibility reports that many companies try to improve their reputation. The environmental responsibility reports allow the companies to announce the environmental fronts in which they act and also to expose any problems that may have derived from the environmental portfolio. This way, a company is able to build and enhance a reputation, trough credibility and trustworthiness, until the point where a competitive advantage is achieved.

According to Fombrun and Shanley (1990), when a strong reputation is established, the company reaches a level that could accrue into an enhanced morale inside the companies walls thanks to: the employee welfare to work in a well reputed enterprise; a reduced risk of emerging externalities since the reputation maintenance itself demands a close control of harmful occurrences to the brand; an enhanced strategic flexibility driven from an alteration of the managers' perceptions of environmental opportunities and threats; an enhanced financial performance due to waste reduction and consequently cost savings; and pricing concessions that allow the company to achieve lower selling costs.

In their study, Miles and Covin (2000) claim that other cost savings may also derive from pollution prevention and brand improvement. The development of the product (with a greater quality and durability) and the creation of innovative processes of production, may consequently lead to less waste issuance. On the other hand, a reputed company with a renowned brand is more likely to attract better applicants; this translates into a better and safer Human Resources quality which, consequently, leads to lower operative costs. Furthermore, another advantage comes from building a strong reputation. These same authors claim that with a solid reputation the company's capital cost tends to decrease (as well as the perceived risk) attracting more investors'.

Ultimately, with a greater control and optimization of the inputs used during the production process, it is possible to notice the cost decrease of goods since it reflects the minimization of the cost of lost ingredients.

Therefore, from Miles and Covin (2000) and also Polonsky & Rosemberger III (2001), we can infer that having a green reputational advantage would enable the company not only to have a direct advantage over their competitors, but also to be able to change their target, reaching new market segments that are environmentally leaned. Creating both value to the community and welcoming new business opportunities.

And what is understood by competitive advantage?

To Porter (1985), competitive advantage results fundamentally of exceeding the company's costs of generating value to the buyers. It is understood as "The ability of a firm to outperform its industry, that is, to earn a higher rate of profit than the industry norm" (Besanko et al., 2013, pg. 367). Therefore the competitive advantage is what sets you apart from the competition in the customer perspective (the costumer's minds). According to Porter & Millar (1985), it is through the perception that costumers have of the products and the business that value is created and added to the company's value chain. These authors identified two basic types of actions from which the competitive advantage may derive: cost advantage and differentiation advantage.

Porter & Millar (1985) state that an actual competitive advantage can be translated merely into profits exceeding the industries average (varying only, from one company to another, the course chosen to reach the advantage itself). To put it simply, a company that manages to produce the same as the average of its industry at a lower cost is said to have a cost advantage. On the other hand, a company that goes further than his competitors creating the finest products is said to have a differentiation advantage.

In their study, Day and Wensley (1988) state that companies' competitive advantage derives from a superior set of skills and resources that make it unique. Latter, Mariadoss et al. (2011, p. 1305) argue that the marketing capability of a firm has a direct influence over the development of innovation-based sustainable strategies, and, at the same time, it also favors the success of such innovations in the marketplace. Altogether the gathered conditions accrue into a sustainable consumption behavior. This, according to Mariadoss et al. (2011), ultimately leads to a firm competitive advantage. Therefore, aiming and reaching sustainability could lead to a natural competitive advantage. Referring back again Day and Wensley (1988), this advantage will eventually lead to certain outcomes such as a bigger market share and, a greater customer satisfaction and loyalty. Thereafter, as a result of higher competitiveness, the firm finds itself with a better financial performance.

In order to achieve the needed reputational status, firstly the enterprise must build a strategy, either for the short as in the long run, a path to be traversed with the objective of strengthening the firm position.

2.5 FINANCIAL PERFORMANCE MEASUREMENT

In a literature review developed by Molina-Azorín et al. (2009), the relation between green oriented management and financial performance was analyzed, which offered an overview of the recent progresses made in this area.

It is understood that a company's performance measures, environmental and financially, will always be unique since these measures depend on several aspects, namely: investment; competitive scope (Porter & Millar, 1985); the type of strategy that has been implemented (Menon & Menon, 1997); the type of environmental management institutionalized (Jabbour and Santos, 2006); the type of enterprise and the company's sector (Haanaes, et al., 2011); as well as the company's time and capital. Likewise we should consider the purpose and the aim of the environmental actions to understand the degree of commitment, direction and effectiveness of environmental management.

As Molina-Azorín et al. (2009) present us, some studies relating environmental management to financial performance used objective financial measures that could vary between return on assets, return on sales, return on equity and return on investments. It is also possible to infer from these authors that many companies use the standard business accounting measures to understand the real development of their actions. Examples of these measures are the profits, returns on investments, and return on assets. These allow each firm to percept any changes driven from the implementation of greener strategies through perceptual measures.

Molina-Azorín et al. (2009) state that performance can be evaluated by both objective and subjective measures. Objective measuring through Return On Investment (ROI), Return On Assets (ROA), Return On Equity (ROE), Return On Capital (ROC) and profits while subjective measuring focuses on perceptions of performance.

According to Venkatraman & Ramanujam (1987) and Wall et al. (2004), measures of subjective performance are not statistically significantly different from the ones measured through the corresponding objective measures of performance.

This study intends to identify the general trend of the Portuguese companies' environmental actions and also its effects on financial performance and on competitive advantage. Being Portugal a small country, most companies are not present in the stock market. Therefore, the study will not focus on the financial effects on the Portuguese stock market of the practice of green marketing by the companies, but in the perceptions of performance and advantage derived from the implementation of these practices.

Other studies used subjective measures of performance, given the difficulty to obtain financial specific data on a substantial number that would allow the development of a performance rigorous evaluation. For example, Haanaes, et al. (2011) MIT study's named "Sustainability: the 'embracers' seize advantage", aiming to understand the entrepreneurial behavior of global company's facing sustainability nowadays and taking into account future prospects, was conducted through surveys answered by executives and managers. This survey collected specific opinions from managers in organizations in every major industry about how are organizations reacting to sustainability challenges and opportunities, how sustainability changes competition and how it affects the management practice.

Considering the short time spectrum to develop this study, the time needed to develop a coherent case with objective financial measures and also the alternative use of subjective financial measures the financial performance was measured by subjective data.

So far, the literature review focused on how reputation is built, how competitive advantage exists and can be pursued, how financial performance drives companies' action and how can competitive advantage and financial performance be measured. In the next chapter an overview of the environmental sustainability strategies is given and the way they can be identified is explored.

2.6 GREEN MARKETING AND DECISION LEVELS

In 1997, Menon and Menon referred that Green Marketing activities occur, according to the decision's nature, at three different levels in the firm: strategic, quasi-strategic, and tactical. These levels from tactical to quasi-strategic and strategic represent the type of decisions taken by an enterprise when facing environmental related issues.

A company's embracement of the environmental strategies can be determined trough the given time dedicated to the strategy itself. Though it is not the only strategy identification criteria, each decision level has its own time spectrum in order to be implemented and, normally, the decision levels are presented in the following order of time (Fig. 1):

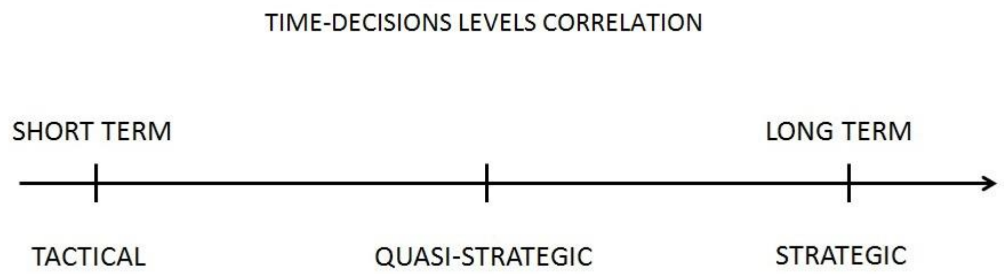

Fig. 1 – Scheme by the author

In their study, Menon & Menon (1997) identify also nine dimensions linked to Green Marketing decisions: *scope of strategy; locus of decision; corporate entrepreneurship* *principles; social responsibility principles; environmental marketing orientation; coordination mechanisms; investment; commitment and value chain*.

These dimensions belong to three major categories (Table 1, appendix) relating to the nature of the company's green marketing strategy idea: *the nature of the strategy decision; the corporate entrepreneurship core values; and the implementation infrastructure for the strategy*, in which the three types of strategies (strategic, quasi-strategic and tactical) might differ. The "enviropreneurial" marketing strategies referred by these authors are understood as a green marketing sustainability strategies equivalent, which is defined as "the process for formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm's economic and social performance objectives" (Menon & Menon, 1997, page 54).

Tactical green marketing is a reaction to the opportunities, resulting from the market growth, in which the enterprises usually engage when facing environmental related issues. In the medium term, quasi-strategic green marketing demands more commitment from the enterprise when compared to tactical marketing. In this type of decision an enterprise sees green marketing as an investment opportunity where competitive advantages can be found. At last, strategic green marketing is a different approach, where decisions are made at the corporate level, usually by enterprises seeking to add environmental action to their set of businesses (Menon & Menon, 1997).

These types of decision levels relate to the three evolutionary stages for environmental management presented by Jabbour and Santos (2006), based on the organizational management and its environmental issues integration degree. In their study, combining a review of different proposals for the evolution of environmental management characterization, through its similarities, the authors found three stages: the functional specialization, the internal integration of environmental management and the external integration of environmental management.

The *functional specialization* overlaps with *tactical marketing* in some aspects, both are seen as the primal action. At this stage, the enterprises only engage in environmental action without deep resolutions since it is not seen as a possible competitive advantage. The *internal integration of environmental management* is recognized as an intermediate stage. A company guided by this type of management tries to develop environmental solutions that match the enterprises environmental necessities. At this point the environmental motto is present in the development of cleaner products, services and processes but not in the overall company structure, according to the idea of the quasi-strategic marketing decisions. The third and most advanced stage is the *external integration of environmental management*. In this ultimate stage, strategic marketing decisions are taken under action (usually in a so-called 'leap of faith' due to the inexistence of results certainty) since the companies look to develop long-run competitive advantages from environmental solutions. With the external integration, environmental management becomes and is treated as one of the companies' drivers for success (Jabbour and Santos, 2006).

We should understand that the company's greening procedure does not only depend on the marketing strategy that is specifically developed but also on the structural change of the business it-self. It is necessary to change the whole value chain and adapt it including more sustainable and cleaner processes. Following this path, the company in general slowly starts to grow greener.

Meanwhile, another study developed by the MIT Sloan Management Review (2011) in collaboration with The Boston Consulting Group by the authors Haanaes, et al (2011) introduces us to the concepts of "*embracers*" and "*cautious adopters*". With the objective of understanding how organizations are responding to sustainability challenges, the authors identify one front, the embracers, as one that sees sustainability as a contemporaneous and important part of business progress. On the other hand, opposing to the embracers, there are the cautious adopters: they face sustainability with some caution, seeing it as an area of expanding business but with no definite certainty to what extent it will bring capital gains. The main difference between the two groups relies in the fact that the embracers see sustainability, along with other companies' functional areas, as fundamental for long run success while, opposing to the first, cautious adopters tend to feel reticent due to the uncertainty associated to environmental action implementation. The fact is that the *embracers* "see themselves as outperforming their competitors, with 70% of respondents stating this to be the case, compared with only slightly more than half (53%) of the *cautious adopters*" (Haanaes, et al., 2011, p.11). For *cautious adopters* to actually catch up with the *embracers* they need to face sustainability as a key competitive factor, fact that they are already starting to be sensitized to according to 88% of respondents who answered that "sustainability-driven strategies will be necessary to be competitive – if not right now, then soon" (Haanaes, et al., 2011, p.18).

Though it is known that sustainability-driven environmental strategic decisions work better as preventive rather than corrective solution (Molina-Azorín et al, 2009), nowadays, given the difficulties of measuring environmental strategy results, together with the fact that this greener trend is still recent and expensive, leads to company's fear of developing businesses into environmental friendly systems.

3 RESEARCH MODEL AND HYPOTHESIS

Taking into consideration the literature review, the idea of developing a scheme relating a company's environmental strategic profile with both financial performance and competitive advantage starts taking form. This study will be focused on managers and executives insights and perceptions.

From previous literature we can determine different sustainability strategies related to the Menon & Menon (1997) environmental decision levels: the strategic, quasi-strategic, and tactical.

These levels of decision can be identified since the nature, core values and infrastructure vary depending of a company's embracement of its own environmental portfolio.

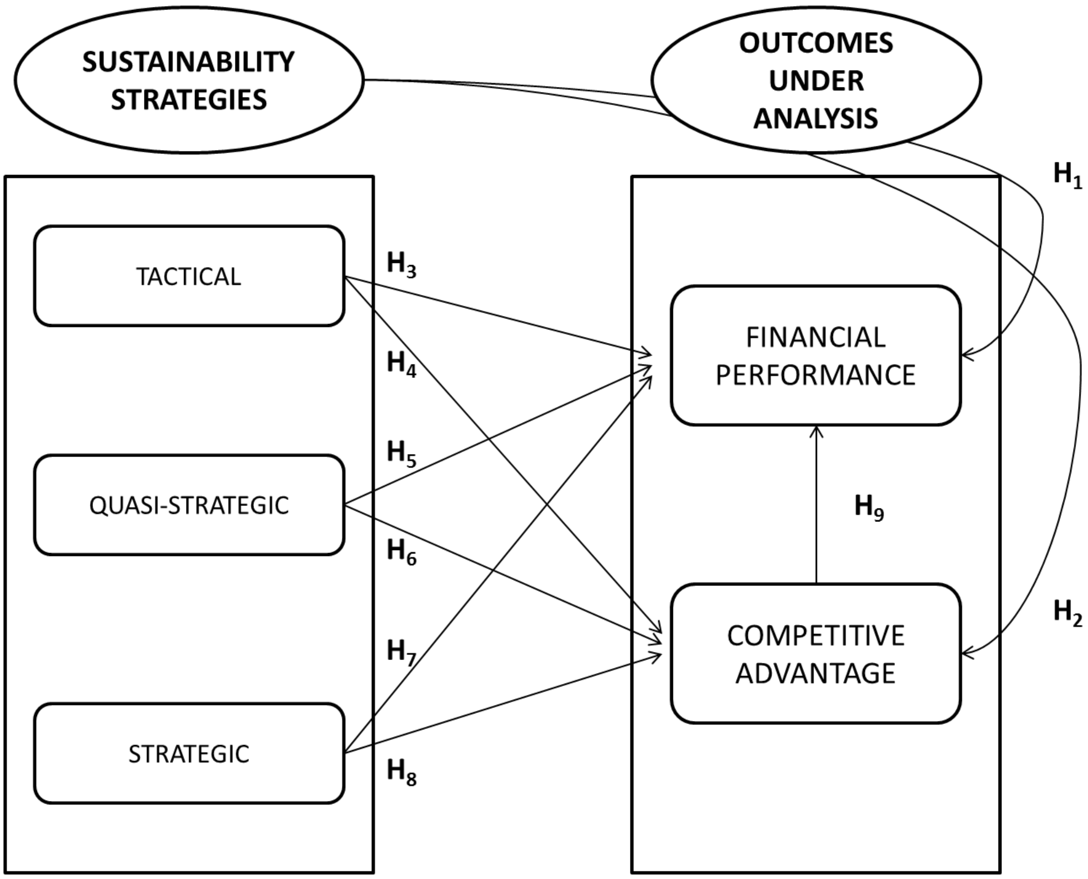

Fig. 2 - Research Model

Also necessary to keep in mind is that every company is unique, therefore assuming that there is no specific category for a group of enterprises, meaning that a company strategy can be in between two sustainability strategy groups.

A firm that operates with a strategic focus demonstrates a higher availability to underlie in safer environmental practices while, in opposite hand, a firm with a tactical focus has no actual strategy defined, seeing environmental practices as secondary, unless it means having an expected return in the short term (Jabbour and Santos, 2006).

A company led by quasi-strategic strategy is in between. The firm looks forward to develop eco-friendly actions although not showing the same readiness to act over such matters, when compared to a company with an established environmental strategy (Jabbour and Santos, 2006).

On the other hand, as mentioned above, the results of the strategy implementation differ from one enterprise to another as well as the managerial perceptions of these outcomes. Therefore, considering enterprises that underwent trough greening procedures, in order to discover the link between each strategy and the possible results, the following hypothesis were determined:

(i) *Hypothesis 1*. There is an association between firms that endure sustainability strategies and the perceptions of financial enhancement by their managers.

(ii) *Hypothesis 2*. There is an association between firms that endure sustainability strategies and the perceptions of the existence of a competitive advantage by their managers.

(iii) *Hypothesis 3*. Managers from companies operating with a tactical type of sustainability strategy perceive a positive association between the strategies and financial performance.

(iv) *Hypothesis 4*. Managers from companies operating with a tactical type of sustainability strategy perceive a positive association between the strategies and competitive advantage.

(v) *Hypothesis 5*. Managers from companies operating with a quasi-strategic type of sustainability strategy perceive a positive association between the strategies and financial performance.

(vi) *Hypothesis 6*. Managers from companies operating with a quasi-strategic type of sustainability strategy perceive a positive association between the strategies and competitive advantage.

(vii) *Hypothesis 7*. Managers from companies operating with a strategic type of sustainability strategy perceive having better financial performance than companies operating with tactical and quasi-strategic types of strategy.

(viii) *Hypothesis 8*. Managers from companies operating with a strategic type of sustainability strategy perceive having more competitive advantage when compared to companies operating with tactical and quasi-strategic types of strategy.

(ix) *Hypothesis 9.* Companies that perceived having competitive advantage also perceived having financial performance.

4 METHODOLOGY

4.1 RESEARCH DESIGN

This research develops an exploratory study that would enable to understand the perceptions about the position of Portuguese companies in what relates to the use of Green Marketing as a mean to achieve long term sustainability and better performance, either trough financial enhancement, competitive advantage or both.

The sample considered is of the non-probabilistic judgmental type and is composed by 61 companies from the 1000 largest Portuguese companies, listed on the '*Diário Económico*' publication (December, 2012).

The companies were contacted in different ways in order to get more responses. In a first phase the survey was sent by email three times, afterwards the companies were contacted by phone and in some cases the forcing was done personally. This contact insistence over the surveyed was staggered in time and lasted over one year.

This research is based on a quantitative study supported by an online survey. The questionnaire was pretested on 5 companies, from the universe above described, to assess the survey validity.

After the necessary corrections the revised questionnaire was sent to 995 companies from which a 6,13% answer rate was attained.

The inquired questionnaire (Appendix 2) consisted mostly of closed-ended questions in order to obtain uniform and consistent answers, allowing an easier statistical treatment. The company's activity code was asked in order to profile the inquired enterprises.

Considering the purpose of this work, the questions were arranged into three major groups explained thoroughly in the next chapter.

4.2 MEASURES

The first step was to identify, from the surveyed companies, if there was any Sustainability Strategy implemented for each and, from those which answer was affirmative, determine in which Sustainability Strategy group (Tactical, Quasi-Strategic, Strategic) each would lay in.

Therefore a scheme was developed to explicit the question field of focus.

Table 1 - Dimensions and Field of Focus Question Scaling

DIMENSIONS	FOCUS	QUESTION SCALE	
		FROM	TO
1) Nature of Strategy Decision			
1.1) Scope of the Strategy	Local/Functional VS Transversal	0	100
2) Strategy Core Values			
2.1) Strategy implementation purpose/ depth	Cleaning Step-by-Step VS Revolutionize by Being Cleaner	0	10
2.2) Environmental awareness	Irrelevant VS Relevant	0	100
3) Organizational and Implementation Infrastructure			
3.1) Investment	Small VS Big	0	100
3.2) Commitement	Reversible VS Irreversible	0	100
4) Strategy Implementation Time Spectrum			
4.1) Time dispended implementing the Strategy	Short Term VS Long Term	1	4

Secondly, to determine the Sustainability Strategy group, the following dimensions were defined based on Menon & Menon (1997) work, relating each dimension to a precise field of focus. These last were measured in different scales. The fields of focus 1.1, 2.2, 3.1 and 3.2 were measured within an interval scale ranging from 0 to 100 points. The field of focus 2.1 had a scale interval between 0 and 10 while the field 4.1 was measured in a 1-4 scale. Afterwards the answers to the fields 2.1 and 4.1 were transformed.

In the 2.1 case the answers were multiplied by 10 in order to have the same proportion has a 0-100 scale would have. The 4.1 field of focus was transformed differently, in order to obtain a 0-100 scale, the answers were changed into the following: 1 point equals to 33 points; 2 points equals to 66 points; 3 points equals to 100 points; 4 points equals to 0 points.

In order to study the profile and find the type of strategy each company was practicing, the strategies were determined by summing the answers relating to the Dimensions field of focus (new variable called TS). This sum ranged from 1 to 600 points. Therefore like we can see in table 1 appendix 3, we were now able to determine companies operating at Tactical (1 to 200 points), Quasi-Strategic (201 to 400 points) and Strategic (401 to 600 points) types of sustainability strategy levels (new variable called TS_NUMB). In order to allow statistical treatment we allocated numbers to each of the types of sustainability strategies being TACTICAL equal to 1, QUASI-STRATEGIC equal to 2 and STRATEGIC equal to 3.

Thirdly, the financial performance after the Environmental Strategy had been implemented was measured by four items pointed by Haber & Reichel (2005) based on a seven point Likert scale. It involved the following items: i) Perceived profitability relative to competitors; ii) Perceived growth in market share; iii) Perceived change in cash-flow; iv) Perceived change in sales growth.

At last, Competitive advantage after the Environmental Strategy had been implemented was measured by three items also pointed by Miles and Covin (2000) plus two items by Porter & Millar (1985) both based on a seven point Likert scale: i) Product/service quality and durability; ii) Human resources quality; iii) Investor’s attractiveness; iv) Perceived cost advantage; v) Perceived differentiation advantage;

Both Financial Performance and Competitive Advantage items were also summed within each category allowing to create two single variables.

In the case of Financial Performance, the new summed item (now called FP) can vary from 4 to 28 points being values under 16 representative of financial performance decrease, equal to 16 meaning the changes were not noticed and values above 16 representative of an increase. The Competitive Advantage new summed item (now called CA) varies from 5 to 35 points being values under 20 representative of competitive advantage decrease, equal to 20 meaning changes were not noticed and values above 20 representative of an increase (see tables 2 and 3, appendix 3).

At this point, in order to evaluate the hypothesis we can say that we have four different variables in this study: Type of Strategy, Type of Strategy Number, Financial Performance and Competitive Advantage.

5 RESULTS AND DISCUSSION

After obtaining the survey answers the study was developed in order to assess the sample portrait and the hypothesis validity.

5.1 SAMPLE PROFILE

In 61 answers, as we can see in table 7 (appendix 4) 30% of our sample belonged to the manufacturing industries sector and we also found that 51% of this sample was composed by companies with more than 250 employees (table 8, appendix 4). As to the sales volume, within 59 received answers 83% of the companies had a sales volume above 10.000.000€ (table 9, appendix 4). Most (67%) of these companies had been operating since 1990 revealing the "youth" of the respondent companies (table 10, appendix 4). We can also state that all the surveyed were part of the management board or worked directly to it.

When questioned if the company was using sustainability as a marketing tool 69% of our sample (61 responses) answered affirmatively while the other 31% claimed that their company was not using sustainability as marketing tool (table 11, appendix 4).

In our sample 28 managers (46%) said that their company's marketing actions centered a little in sustainability aspects while 22 (36%) claimed that these same actions centered a lot in sustainability (table 12, appendix 4).

In 56 questions relating to if the sustainability area concerned to any particular subject inside the company, the results were splitted fifty-fifty between Yes and No (table 13, appendix 4). When the same question was done but now concerning a functional area the answers became different, in 59 answers obtained 73% of managers said that sustainability concerned to a specific functional area (table 14, appendix 4). As expected these previous 73% also said that sustainability is under areas such as Quality & Environment, Production, Marketing and Product Development.

In order to address the companies who had developed sustainability actions and to understand for how long the practices had been implemented as well as it's variation we introduced a screening in the first question where "NO" answers would oblige respondents to skip the two next questions.

This way, in 61 answers, 77% of the surveyed said that the company had developed sustainability actions (table 15, appendix 4).

From those who had previously answered "YES", in 45 responses, 56% stated that they had been developing sustainability actions for 6 years or more while only 7% had been doing it for less than 3 years (table 16, appendix 4).

In 46 answers obtained, having the last three years as reference, 78% of managers considered that sustainability practices had been increasing while 22% claimed that sustainability practices maintained (table 17, appendix 4).

5.2 HYPOTHESIS ANALYSIS

For each answer obtained, the classification of type of strategy used was found resulting in the following classification distribution:

Table 2

SAMPLE STRATEGY DISTRIBUITION

STRATEGY	N	%
TACTICAL	2	3%
QUASI-STRATEGIC	21	34%
STRATEGIC	22	36%
DOES NOT HAVE	16	26%

At this point, we had found, for each company, its own strategy, competitive advantage own result and financial performance unique answer. The variables worked from here on were: TS – Type of Strategy; TS_NUMB – Type of Strategy Number; CA – Competitive Advantage; FP – Financial Performance.

The analysis was developed using the SPSS statistics program.

Normality test

As we can see in table 18 (appendix 5), the variables do follow a normal distribution. Since in the Kolmogorov-Smirnov test the df's are inferior to 30, then we would have to analyze the test trough Shapiro-Wilk method. As we can see the p-value is superior to 0,05 therefore we do not reject the null hypothesis. We can infer that there is no statistical evidence to prove that the variables do not follow a normal distribution.

Hypothesis 1

Although the variables follow a normal distribution, we chose to perform correlation test combining both TS and FP variables. As it is possible to observe in table 19 (appendix 5), we obtained a significance level of 0,753 which allows to conclude that there is no statistical evidence to say that the Type of Strategy does have an association with Financial Performance and ultimately rejecting our hypothesis.

Hypothesis 2

Developing also a Pearson's correlation test to determine if the Type of Strategy had an association with Competitive Advantage (see table 20, appendix 5), we obtained a 0,006 significance level which led to the conclusion that there is statistical evidence to say that the Type of Strategy has, in fact, a moderate association with Competitive Advantage (0,415). We fail to reject our second hypothesis.

Hypothesis 3 and 4

For this scenario we determined that, since we have a number of occurrences equal to two it would not be possible to run any test leading us to neglect the possibility of finding a relation between the effects of both hypotheses. Therefore, for the Tactical type of sustainability strategy we cannot affirm that there is an association with Financial Performance neither with Competitive Advantage.

Hypothesis 5 and 6

Aiming to study Quasi-Strategic type of sustainability strategy association with Financial Performance and Competitive Advantage, after selecting the data relative only to this specific type of sustainability strategy, a Pearson's correlation test was performed.

In the test relating TS to FP (see table 21, appendix 5) a significance level of 0,581 was obtained, leading to conclude that there is no statistical evidence that to affirm that there is an association between Quasi-Strategic type of sustainability strategy and Financial Performance. We do not reject the null hypothesis.

When studying the possibility of an association between TS to CA (see table 22, appendix 5), through the Pearson's Correlation test we found a significance level of 0,317 that, has in the previous situation, leads us to affirm that there is no statistical evidence to say that an association exists between the Quasi-Strategic type of sustainability strategy and Competitive Advantage. Our hypothesis 5 and 6 are rejected.

Hypothesis 7 and 8

In order to analyze the hypothesis 7 and 8, once we are studying normal variables, we applied the t-student test so it would be possible to compare the different strategy sustainability groups regarding its association with Financial Performance and Competitive Advantage. Like it was previously determined in hypothesis 7 and 8, the goal is to analyze the differences between the Tactical and Strategic types of sustainability strategies and Quasi-Strategic and Strategic types of sustainability strategies.

Looking at table 23 (appendix 5) it is possible to conclude that between the Tactical and Strategic types of sustainability strategies, regarding Competitive Advantage, since the Levene's Test for Equality Variances p-value is superior to 0,05 in both cases, the variances are homogeneous. Therefore, we look to the t-test for Equality of Means where it is possible to observe a p-value of 0,014 (inferior to 0,05) for CA which allows us to conclude that there is statistical evidence to say that there are differences when comparing the Tactical with Strategic type of sustainability strategy group relatively to Competitive Advantage.

The Strategic sustainability strategy has stronger association with Competitive Advantage (CA) than the Tactical type of sustainability strategy although we cannot say the same for Financial Performance (FP) since the p-value (0,366) is over 0,05.

Once we develop this specific analysis with only two events of the Tactical type of sustainability strategy, the comparison results obtained are merely an indication for future research and should not be treated as certain results.

If we now consider table 24 (appendix 5), between the Strategic and Quasi-Strategic types of sustainability strategy, since the Levene's Test for Equality Variances p-value is superior to 0,05 in both situations, looking at the t-test for Equality of Means, we find that there are no differences since the p-value, in both situations (0,16 and 0,333 respectively), is superior to 0,05. We can infer that for FP and CA there is no statistical evidence to determine the differences between both strategies in what matters to the association. We reject both our hypothesis.

In conclusion we can only say that the Strategic type of sustainability strategy has more impact over Competitive Advantage (CA) when compared to the Tactical positioning. Still, as said before, we consider that since in our results we only have two events of the Tactical type of sustainability strategy we should consider these results merely as an indication of a possible track for future researches.

For the several remaining results the conclusion is always the same: there is no statistical evidence in order to determine association differences.

Hypothesis 9

To study this hypothesis we chose to do a Pearson's correlational matrix test so we could observe if the companies that perceived having Competitive Advantage perceived having Financial Performance. Looking at table 25 (appendix 5), the results show us that there is a positive relation between both ordinal variables once its significance level is inferior to 0,05 and the correlation coefficient is 0,542. Hence we conclude that there is positive relation between Competitive Advantage and Financial Performance.

Additionally we went further in our analysis and developed a linear regression between Financial Performance (as dependent variable) and Competitive Advantage (as a independent variable). As it is possible to see in table 26 (appendix 5) we obtained a significant model with a p-value of 0,000 valid for any significance level, CA variable is also significant presenting a 0,000 p-value. The model's R Square is of 0,294 which allows us to conclude that 29,4% of Financial Performance variations are explained by the increment of a Competitive Advantage.

This test tells us that for each Competitive Advantage level variation there is an increment of 0,546 in Financial Performance allowing us to answer hypothesis 9 by rejecting the null hypothesis.

6 CONCLUSIONS

Considering the results obtained, we observe that there is no relation between the strategies implementation and Financial Performance while we find evidence that there is a positive relation with Competitive Advantage. The independent strategy study, trough the splitting of each type of sustainability strategy (Tactical, Quasi-Strategic and Strategic) and the analysis of its individual effects on the outcomes, given the number of the answers obtained, has no expression in neither of the Financial Performance and Competitive Advantage variables except, when comparing Strategic with Tactical type of sustainability strategy. Here the first shows a significant association relating to Competitive Advantage though, as referred in chapter 5.2, we should only consider these results merely as an indication once the Tactical type of strategy is represented by only two single events. Finally we find evidence that there is a positive relation between

Competitive Advantage and Financial Performance. To our results we find explanation in:

- *Erroneous managerial perception.* There is a chance that, since the study is based on managerial perceptions and not in facts per se, the results obtained may not reflect reality;
- *Question miscomprehension*. We find it possible that the directness of the survey might, possibly, have caused bias in the answer received from the managers.
- *Economic situation*. Still on the aftermath of the latest economical crisis, though gaining more importance each day, it is natural that companies do not place sustainability as a priority in their vision.
- *Green practices dimension*. The practices that today exist can still be few and of weak expression. Therefore there is a possibility that it is too soon to measure their impact. For instance, from our sample we can observe that 44% of the respondents have been developing sustainability strategies for less than 6 years, this gives us a fresh perception of Portuguese companies situation relating the sustainability strategy life span. Another subject worth mentioning, in light of this topic, is the fact that 64% of the respondents claim that the company's marketing actions do not center, or center a little, in sustainability aspects. This information gives us an idea that marketing might have room to grow greener.

Unlike Jabbour and Santos (2006) we cannot state that a strong association exists between each type of sustainability strategy and the outcomes analyzed (financial performance and competitive advantage), still, we also believe, that with a larger sample other results might have arisen. On the other hand, also unlike Menon & Menon (1997) we found that there was not an effective association between sustainability practices and management perceptions of a company's financial performance and competitive advantage. Even though we cannot ensure the strength of these associations, the only situation where can state that an association exists is, when comparing the Tactical with Strategic types of sustainability strategies, relating to Competitive Advantage. Still we feel that these specific results are biased since, for the Tactical type of sustainability strategy we have only identified two single scenarios.

We hope that in the near future these associations only tend to get stronger not only via managers environmental awareness melioration but also through company's overall structure and strategy perfectioning.

6.1 LIMITATIONS AND FUTURE RESEARCH

The lack of answers to the inquiry is pointed has the main handicap in this research. Even though our efforts went towards getting the maximum data possible, as referred before, we obtained a small total answers ratio, not allowing us to develop the analysis as initially desired.

When looking inside Europe, the fact that Portugal has a smaller number of big companies, when compared to a congener country, points out to be a restraining factor to the study development. Therefore, in future research we would advise searching to develop a study with a greater adherence in what matters to data collection.

A second advice lays on the customization of the survey to the universe studied. In this particular scenario, being Portugal a country with a smaller expression in global economy, the survey is specifically designed to a small group of top performing companies.

Thirdly, specifically to the Portuguese case, we would recommend the enlargement of the universe to the SME's (Small and Medium –sized enterprises) since it represents 99% of the entrepreneurial tissue, without neglecting the survey customization.
Finally, given the fact that the sustainability practices are pure innovation and have been implemented recently, it would be beneficial to develop the same kind of study in the future in order to create the environment that would allow one to check and acknowledge progress.

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8 APPENDICES

8.1 APPENDIX 1:

Table 3 – Enviropreneurial Marketing Strategies

Dimensions	Strategic	Quasi-Strategic	Tactical
Nature of EM Strategy Decision			
Scope of strategy	Corporate	Business	Functional
Locus of decision	Top management team (corporate)	SBU managers	Product, marketing managers
Decision focus	Macro (system) focus	Micro (firm) focus	Transaction Focus
EM Strategy Core Values			
Corporate entrepreneurship	Frame-breaking	Organization renewal	Individual entrepreneurship
Social responsability principle	Social responsability	Social responsiveness	Social obligation
EM orientation	Conservationism and sustainability	Environmentalism	None evident
Organizational and Implementation Infrastructure			
Coordination mechanism	Interorganizational	Intraorganizational	Intrafunctional
Investment	High and visible	Low and invisible	Low and visible
Commitement	Irreversible	Irreversible	Reversible
Value Chain	Supplier and costumer	Supplier	None

source: Menon & Menon (1997), pg. 56

8.2 APPENDIX 2:

Default Question Block

Este inquérito faz parte de uma dissertação no âmbito do mestrado de Ciências Empresariais do ISEG . Tem como propósito realizar um estudo pioneiro em Portugal visando analisar o **nível de compromisso** das empresas com **estratégias de sustentabilidade** bem como a análise das **perspectivas** da gestão de topo relativamente à introdução destas mesmas estratégias, no que toca aos efeitos na **vantagem competitiva** e **performance financeira**.
A sua participação é fundamental para o êxito do estudo. As respostas são anónimas e confidenciais.

Caso esteja interessado, poderá receber os resultados do estudo indicando o seu e-mail no final do inquérito.

O tempo expectável de duração do inquérito é de 15 minutos.

Antecipadamente grato,
João Romão

Por favor identifique a Secção do Código de Actividade Económica (CAE) a que a sua empresa pertence.

Caso a empresa tenha uma segunda Secção do Código de Actividade Económica atribuída, por favor indique-a.

Qual é o número de empregados efectivos da empresa?

Menos de 50 (Pequena)	Entre 50 e 250 (Média)	Mais de 250 (Grande)
○	○	○

Relativamente ao volume de negócios, em que categoria diria que a sua empresa se enquadra?

Menos de 2.500.000€	Entre 2.500.001€ e 10.000.000€	Mais do que 10.000.000€
○	○	○

Qual é o ano de início da actividade empresarial da empresa?

Qual é a função que desempenha dentro da empresa? (Ex: cargo e departamento)

Considere a seguinte definição de *sustentabilidade*: é uma condição limitativa do uso de recursos naturais num processo ou sistema que permite a sua estável e contínua utilização, a um determinado nível, por determinado prazo sem comprometer as gerações futuras.

Considera que a empresa usa a sustentabilidade como ferramenta de marketing?

Sim	Não
○	○

Na sua empresa, as acções de marketing centram-se de algum modo em aspectos da sustentabilidade?

Não se centram	Centram alguma coisa	Centram bastante
○	○	○

A área da sustentabilidade está afecta às funções de...

	Sim	Não
algum elemento em particular?	○	○
alguma área funcional?	○	○

Em que área funcional se enquadra a área da sustentabilidade?

A empresa desenvolveu algum tipo de pratica de sustentabilidade?

Sim	Não
○	○

Há quanto tempo a empresa desenvolve práticas de sustentabilidade?

Considere a seguinte definição para *Práticas de sustentabilidade* - Acções que a empresa toma com vista a melhoria da performance ambiental.
São exemplos: Separação de lixo, poupança energética, poupança de água, redução da produção de desperdícios, etc.

Menos de 3 anos	Mais de 3 e menos de 6 anos	6 anos ou mais
○	○	○

Tendo os últimos 3 anos como referência, considera que as práticas de sustentabilidade tem vindo a...

Aumentar	Manter-se	Diminuir
○	○	○

Relativamente às praticas de sustentabilidade que a empresa tem implementado, qual é o âmbito em que se enquadra, tendo em conta os objectivos da actuação?

	Fazer a diferença, aos poucos (ao longo do tempo)									Mudar completamente a nossa estrutura (no curto prazo)
	0	1	2	3	4	5	6	7	8	9	10
Ao implementar as práticas de sustentabilidade pretendemos											

As seguintes questões visam caracterizar as práticas de sustentabilidade da empresa usando uma escala de 0 a 100.

Em que grau são aplicadas as práticas sustentáveis implementadas na empresa?

	Apenas a determindas áreas da empresa									A toda as áreas da empresa
	0	10	20	30	40	50	60	70	80	90	100
Nível da implentação das práticas										

Para a empresa, qual é a importância da consciencialização em matérias sustentáveis dos seus colaboradores?

	Irrelevante									Relevante
	0	10	20	30	40	50	60	70	80	90	100
Importância da conscientização ambiental para a empresa										

Qual é o peso do investimento/gasto total alocado à implementação das práticas sustentáveis?

	Pequeno									Grande	
	0	10	20	30	40	50	60	70	80	90	100
Peso do Investimento											%

Qual diria ser o envolvimento da empresa no que toca ao nível de compromisso com a sustentabilidade? (reversibilidade das praticas implementadas)

	Reversível									Irreversível
	0	10	20	30	40	50	60	70	80	90	100
Toda a prática implementada é										

Maioritariamente, a nível temporal, as práticas delineadas poderão oscilar entre o curto-prazo e o longo-prazo. Qual diria ser a perspectiva temporal aplicada no planeamento das práticas de sustentabilidade?

Curto prazo (1 ano)	Médio prazo (2 anos)	Longo prazo (5 anos)	Não há planeamento das práticas de sustentabilidade
○	○	○	○

Os seguintes grupos de questões têm como objectivo identificar as perspectivas do gestor/administrador sobre a performance financeira e vantagens competitivas alcançadas após a introdução das práticas sustentáveis.

Considere as seguintes definições de:
Vantagem competitiva - A habilidade de uma empresa de ultrapassar a sua indústria, isto é ter ganhos maiores que a média da sua indústria.
Performance financeira - Medida subjectiva do quão bem a empresa consegue utilizar os seus recursos no seu estado primário e gerar valor a partir dos mesmos.

Tendo em conta a empresa, na sua opinião...

	Diminuiu muito	Diminuiu bastante	Diminui	Manteve-se	Aumentou	Aumentou bastante	Aumentou muito
Como evoluiu o lucro relativamente à concorrência?	○	○	○	○	○	○	○
Como foi afectada a quota de mercado?	○	○	○	○	○	○	○
Qual foi a alteração nos cash-flows?	○	○	○	○	○	○	○
Qual foi a alteração do volume de vendas?	○	○	○	○	○	○	○

Relativamente à concorrência e considerando as práticas de sustentabilidade implementadas na empresa, diga, sua opinião, como caracterizaria a evolução...

	Diminuiu muito	Diminuiu bastante	Diminuiu	Manteve-se	Aumentou	Aumentou bastante	Aumento muito
Da qualidade e durabilidade do seu produto/serviço	○	○	○	○	○	○	○
Da qualidade dos colaboradores da empresa	○	○	○	○	○	○	○
Da atractividade para novos investidores	○	○	○	○	○	○	○
Da vantagem de custo	○	○	○	○	○	○	○
Da vantagem de diferenciação	○	○	○	○	○	○	○

O seu formulário foi concluído com sucesso.

Quero agradecer pela sua disponibilidade e tempo despendido.

O meu muito obrigado,

João Romão

8.3 APPENDIX 3:

Table 4

TYPE OF STRATEGY SCALE CLASSIFICATION		
FROM	TO	STRATEGY
1	200	TACTICAL
201	400	QUASI-STRATEGIC
401	600	STRATEGIC

Table 5

FINANCIAL PERFORMANCE CLASSIFICATION		
FROM	TO	
4	15	DECREASED
16		DID NOT CHANGE
17	28	INCREASED

Table 6

COMPETITIVE ADVANTAGE CLASSIFICATION		
FROM	TO	
5	19	DECREASED
20		DID NOT CHANGE
21	35	INCREASED

8.4 APPENDIX 4:

Table 7

ECONOMICAL ACTIVITY CLASSIFICATION

CAE		TOTAL
A	Agricultura, produção animal, caça, floresta e pesca	4
B	Indústrias extractivas	0
C	Indústrias transformadoras	18
D	Electricidade, gás, vapor, água quente e fria e ar frio	3
E	Captação, tratamento e distribuição de água; saneamento, gestão de resíduos e despoluição	2
F	Construção	4
G	Comércio por grosso e a retalho; reparação de veículos automóveis e motociclos	6
H	Transportes e armazenagem	5
I	Alojamento, restauração e similares	3
J	Actividades de informação e de comunicação	2
K	Actividades financeiras e de seguros	3
L	Actividades imobiliárias	2
M	Actividades de consultoria, científicas, técnicas e similares	2
N	Actividades administrativas e dos serviços de apoio	0
O	Administração Pública e Defesa; Segurança Social Obrigatória	0
P	Educação	0
Q	Actividades de saúde humana e apoio social	2
R	Actividades artísticas, de espectáculos, desportivas e recreativas	0
S	Outras actividades de serviços	4
T	Actividades das famílias empregadoras de pessoal doméstico e actividades de produção das famílias para uso próprio	0
U	Actividades dos organismos internacionais e outras instituições extra-territoriais	1

COMPANY'S NUMBER OF EMPLOYEES

	N	%
Less than 50	8	13%
Between 50 and 250	22	36%
More than 250	31	51%

Table 8

SALES VOLUME

	N	%
Less than 2.500.000€	1	2%
Between 2.500.001€ and 10.000.000€	9	15%
More than 10.000.000€	49	83%

Table 9

COMPANIES AGE

	N	%
Previous to 1990	19	33%
Since 1990	38	67%

Table 10

DOES THE COMPANY USES SUSTAINABILITY AS A MARKETING TOOL?

	N	%
YES	42	69%
NO	19	31%

Table 11

DO COMPANY'S MARKETING ACTIONS CENTER IN ANY SUSTAINABILITY ASPECTS?

	N	%
DO NOT CENTER	11	18%
CENTER A LITTLE	28	46%
CENTER A LOT	22	36%

Table 12

DOES THE SUSTANABILTY AREA CONCERNS ANY PARTICULAR SUBJECT?

	N	%
YES	28	50%
NO	28	50%

Table 13

DOES THE SUSTANABILTY AREA CONCERNS ANY FUNCTIONAL AREA?

	N	%
YES	41	73%
NO	18	32%

Table 14

DID THE COMPANY DEVELOP ANY TYPE OF SUSTAINABILITY ACTIONS?

	N	%
YES	47	77%
NO	14	23%

Table 15

FOR HOW LONG HAS THE COMPANY BEEN DEVELOPING SUSTAINABILITY ACTIONS?

	N	%
LESS THAN 3 YEARS	3	7%
MORE THAN 3 AND LESS THAN 6 YEARS	17	38%
6 YEARS OR MORE	25	56%

Table 16

HAVING THE LAST THREE YEARS AS REFERENCE THE MANAGER CONSIDERS THAT THE SUSTAINABILITY PRACTICES HAVE:

	N	%
INCREASED	36	78%
MANTAINED	10	22%
DECREASED	0	0%

8.5 APPENDIX 5:

Table 17

Tests of Normality[b,d]

TS_NUMB		Kolmogorov-Smirnov[a]			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
CA	DOES NOT HAVE	,248	13	,028	,900	13	,134
	QUASI-STRATEGIC	,110	20	,200*	,951	20	,390
	STRATEGIC	,136	20	,200*	,971	20	,766
FP	DOES NOT HAVE	,193	13	,200*	,943	13	,497
	QUASI-STRATEGIC	,276	20	,000	,918	20	,090
	STRATEGIC	,163	20	,174	,944	20	,287

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

b. CA is constant when TS_NUMB = TACTICAL. It has been omitted.

d. FP is constant when TS_NUMB = TACTICAL. It has been omitted.

Table 18 - General TS vs FP - Pearson's correlation test

Correlations

		TS	FP
TS	Pearson Correlation	1	-,049
	Sig. (2-tailed)		,753
	N	45	43
FP	Pearson Correlation	-,049	1
	Sig. (2-tailed)	,753	
	N	43	57

Table 19 - General TS vs CA – Pearson's correlation test

Correlations

		TS	CA
TS	Pearson Correlation	1	,415**
	Sig. (2-tailed)		,006
	N	45	42
CA	Pearson Correlation	,415**	1
	Sig. (2-tailed)	,006	
	N	42	55

**. Correlation is significant at the 0.01 level (2-tailed).

Table 20 - Quasi-Strategic TS vs FP – Pearson's correlation test

Correlations

		TS	FP
TS	Pearson Correlation	1	,131
	Sig. (2-tailed)		,581
	N	21	20
FP	Pearson Correlation	,131	1
	Sig. (2-tailed)	,581	
	N	20	20

Table 21 - Quasi-Strategic TS vs CA – Pearson's correlation test

Correlations

		TS	CA
TS	Pearson Correlation	1	,236
	Sig. (2-tailed)		,317
	N	21	20
CA	Pearson Correlation	,236	1
	Sig. (2-tailed)	,317	
	N	20	20

Table 22 - Tactical vs Strategic – t-student test

Group Statistics

	TS_NUMB	N	Mean	Std. Deviation	Std. Error Mean
CA	TACTICAL	2	20,0000	,00000	,00000
	STRATEGIC	20	24,6500	2,39022	,53447
FP	TACTICAL	2	16,0000	,00000	,00000
	STRATEGIC	21	18,0000	3,00000	,65465

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
CA	Equal variances assumed	2,585	,124	-2,691	20	,014	-4,65000	1,72775	-8,25403	-1,04597
	Equal variances not assumed			-8,700	19,000	,000	-4,65000	,53447	-5,76866	-3,53134
FP	Equal variances assumed	2,322	,142	-,923	21	,366	-2,00000	2,16654	-6,50556	2,50556
	Equal variances not assumed			-3,055	20,000	,006	-2,00000	,65465	-3,36558	-,63442

Table 24 - Quasi-Strategic vs Strategic – t-student test

Group Statistics

	TS_NUMB	N	Mean	Std. Deviation	Std. Error Mean
CA	QUASI-STRATEGIC	20	23,3500	3,28113	,73368
	STRATEGIC	20	24,6500	2,39022	,53447
FP	QUASI-STRATEGIC	20	18,8500	2,51888	,56324
	STRATEGIC	21	18,0000	3,00000	,65465

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
CA	Equal variances assumed	1,479	,231	-1,432	38	,160	-1,30000	,90772	-3,13757	,53757
	Equal variances not assumed			-1,432	34,735	,161	-1,30000	,90772	-3,14326	,54326
FP	Equal variances assumed	,043	,837	,980	39	,333	,85000	,86735	-,90438	2,60438
	Equal variances not assumed			,984	38,412	,331	,85000	,86360	-,89765	2,59765

Table 25 - CA vs FP – Pearson's correlation test

Correlations

		CA	FP
CA	Pearson Correlation	1	,542**
	Sig. (2-tailed)		,000
	N	55	55
FP	Pearson Correlation	,542**	1
	Sig. (2-tailed)	,000	
	N	55	57

**. Correlation is significant at the 0.01 level (2-tailed).

Table 26 - Financial Performance Linear Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,542[a]	,294	,280	2,83106

a. Predictors: (Constant), CA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176,736	1	176,736	22,051	,000[b]
	Residual	424,791	53	8,015		
	Total	601,527	54			

a. Dependent Variable: FP

b. Predictors: (Constant), CA

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,035	2,695		1,868	,067
	CA	,546	,116	,542	4,696	,000

a. Dependent Variable: FP