



## Literature Review: Green Marketing Strategy and Green Hospital to Achieve Sustainable Competitive Advantage

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### ABSTRACT

**Background :** The concept of green hospital and green marketing is still rarely applied to hospitals in Indonesia. Even though this strategy is a very good potential. In addition to playing a role in environmental conservation, hospitals can achieve Sustainable Competitive Advantage.

**Objective :** The aim of this article is focused on green marketing and green hospital strategies and their role in increasing sustainable competitive advantage.

**Methods :** This article is a literature review of 7 journals from several sources such as Google Scholar, SINTA Journal, and pubmed in the last 10 years.

**Result :** The core concept of green hospitals focuses on the production and use of energy, water resources, the use of solar energy for electricity and reducing electricity use, good aeration, climatic features, green open spaces and the long-term impact of building materials. The concept plays a role in improving public health while reducing the environmental impact around it. Green marketing is one of the strategies that the hospital marketing team uses today as the key strategy for SCA.

**Conclusion :** In the end, this concept has 2 goals, improving environmental quality and customer satisfaction. Thus, the implementation of green marketing into a marketing strategy can be the key in achieving sustainable competitive advantage in hospitals.

### Introduction

The environmental health problems that are developing today are more or less influenced by health services. The healthcare industry, especially hospitals, contributes to significant sources of pollution around the world. This is due to the application of products and technologies, resource consumption, waste production, construction and operations. Hospitals can produce more than 2.4

million tons of waste annually (Azmal et al. 2014). Whereas the waste generated during health services has more potential risk of infection and injury than other types. This environmental management does not seem to be the main focus of governments and health care providers, especially in developing countries.

As Florence Nightingale stated, environmental health is considered a key

issue raised in the development of green marketing strategies. The American Marketing Association (AMA) defines green marketing as the process of marketing for products that are assumed to be environmentally safe (Afifi and Amini 2018; Azmal et al. 2014; Widyastuti et al. 2019). The concept of green hospital is part of the development of this marketing, the purpose of which is to reduce the effect on the environment of goods and services delivered by health care providers (hospitals) (Afifi and Amini 2018; Sofiyannurriyanti 2017). It aims to attract customers who focus on sustainability or environmental activists. Customers will tend to choose products that are environmentally based / green products. This is one of the advantages that can be developed by hospitals to be able to achieve a sustainable competitive advantage.

In Indonesia, the hospital industry is growing significantly. However, only five hospitals in Indonesia have implemented the green hospital concept, namely: Ciputra Hospital, Persahabatan Hospital, Prof. Dr. Soerojo Hospital, Pekerja Public Hospital, and Siloam Hospital. The application of green hospitals and green marketing itself still does not meet the needs of the community, unaffordable service prices, poor information technology, lack of investors who care about the environment

and the preference of the Indonesian people towards green hospitals abroad is still high (Afifi and Amini 2018). Yet this is a global effort to address climate change and protect the environment. However, the literature on this green concept has not been discussed much. Based on this phenomenon, the author wants to investigate the application of green marketing strategies in green hospitals in order to increase sustainable competitive advantage in the hospital industry.

This article is a literature review that discusses green marketing strategies to achieve sustainable competitive advantage. This is expected to provide insight for hospital managers in strategizing to build and maintain the business position of their hospitals.

## **Methods**

The literature used in this review was obtained from several sources such as Google Scholar, SINTA Journal, and pubmed. The keywords used to conduct literature searches are "Green Hospital", "Green Marketing", "Sustainable Competitive Advantage" and "Hospital". The publication of articles/literature is limited to 2010-2020 only. 7 articles were obtained that fit the criteria for further analysis in this literature review. The review focused on green marketing and green hospital strategies and their role in

increasing sustainable competitive advantage.

## Results and Discussion

### *Green hospital*

Green hospital is a hospital concept that designs the main resources of the hospital to be environmentally friendly and save more expenses and provide more alternative improvements (Afifi and Amini 2018; Azmal et al. 2014; Sofiyanurriyanti 2017; Wood et al. 2016). The concept of Green hospital in Indonesia has been developed by Green Building Council Indonesia with standard green building criteria, such as reducing pollution, energy use, and the right environment for consumers (Afifi and Amini 2018). Green hospital is also a hospital commitment to continue to improve public health by reducing environmental impact and ultimately reducing the burden of disease (Azmal et al. 2014; Wood et al. 2016). Green hospital connects local needs with environmental action. The concept can be achieved by primary prevention methods through active participation in public health and the environment.

The core concept of green hospital focuses on energy production and use, water resources, the use of solar energy for electricity and reducing electricity use, good aeration, climatic features, green open

spaces and the long-term impact of building materials. Building strategies in green hospitals reduced building operations by 89 percent, increased building value by 7.5 percent, return on investment by 6.6 percent, increased occupancy ratio by 3.5 percent, and increased rental ratio by 3 percent (Wood et al. 2016). Other green hospital concepts are waste reduction, energy reduction and also protecting resources; protecting resources including managing waste disposal, recycling, reproducing reusable items and items, managing product protection and so on. The provision of land for green open space is not only for soothing or sweetening, but has another function to provide open space for patients, families and staff in the hospital, so that they can breathe fresh air and provide psychic benefits for patients.

To meet the concept of Green hospital, it is necessary to plan from the beginning. Planning starts from the hospital strategy, the concept of the building to be carried out, the person in charge of operations, the funds needed, and so on. The application of Green hospital will affect the quality of the hospital (Afifi and Amini 2018). The cleaner, the more comfortable, the healthier the hospital, the better the quality of the hospital. With this concept, RS can increase public trust. Although models for green hospitals are still being developed, many

hospitals and health systems in the world have taken steps to reduce their environmental impact, help improve public health and also reduce costs simultaneously (Azmal et al. 2014; Sofiyanurriyanti 2017; Wood et al. 2016).

### **Hospital Green Marketing Strategy**

The concept of green marketing has been developed since 1980-1990 through an article in one of the marketing journals. According to the American Marketing Association (AMA), green marketing is the development and marketing of products designed to reduce the physical impact on the environment or improve environmental quality (Afifi and Amini 2018; Azmal et al. 2014; Sehgal 2017; Widyastuti et al. 2019). Green marketing focuses mainly on the promotion of green products. Marketers also have a responsibility to make consumers understand the need and benefits of green products rather than regular products.

The increase in the use of Green marketing depends on five reasons. First, organizations feel environmentally friendly marketing to be an opportunity that can be used to achieve goals. Second, organizations believe that they have a moral obligation to be more socially responsible. Third, the Government made regulations requiring hospitals to become more environmentally responsible. Fourth,

competing hospitals that have implemented green marketing first force managers to change marketing strategies. Finally, cost factors associated with waste disposal, or reduced material use force hospitals to modify strategies and behaviors.

In the research of Hamid et al. it was found that most customers who are less concerned about the environment are not interested in consuming green products. Without government appeals/regulations, the level of customer trust in green products is still underdeveloped, making them less concerned about the benefits produced (Widyastuti et al. 2019). The lack of an environmentally friendly marketing strategy significantly affects customer satisfaction so managers need to know the importance of an environmentally friendly marketing strategy to increase customer satisfaction.

In this era, the formation of public awareness of environmental sustainability is increasing. Hospitals should pay more attention to green marketing as a marketing strategy. Rising public awareness has influenced the tendency of companies to become more concerned about environmental protection as part of social responsibility. Companies with green products tend to influence environmentally friendly purchasing decisions. Consumer purchasing decisions are based on the safety

of the service and do not harm the environment. It is caused by the increasing public trust in companies that run environmentally friendly businesses. This will influence customers to loyally use the services offered. Therefore, the fulfillment of the element of environmental comfort is one of the considerations of patients in the selection of hospitals (Hasan and Ali 2015; Widyastuti et al. 2019).

### **Green Marketing to Achieve Sustainable Competitive Advantage (SCA)**

Green marketing is one of the strategies that the hospital marketing team uses today as the key strategy for SCA. One study in India also states that the practice of green marketing allows companies to have a sustainable competitive advantage (Hasan and Ali 2015; Sehgal 2017). Leonidou et al also agree that an environmentally friendly business strategy leads to a position of competitive advantage. By implementing the green marketing process into the marketing strategy, the hospital will build a good corporate image in the community. This fact shows that the implementation of green marketing into marketing and CSR strategies is useful in forming a positive green image in the eyes of the public (Widyastuti et al. 2019).

Sehgal's research reveals that customer trust in eco-labels and eco-brands and consumer perceptions of eco-brands show a

positive and significant impact on consumer behavior (Sehgal 2017). Consumer behavior here means the process that a person or organization goes through in finding, buying, using, evaluating, and disposing of products or services after consumption to meet their needs. Eco-label is referred to as one of the green marketing tools by conveying information about environmental protection through product labels (Sehgal 2017).

Hospitals that have concern for environmental protection and practice the green hospital philosophy to carry out marketing activities will enjoy a competitive advantage in today's global market, especially in the rapidly growing economic market. Thus, Green marketing can guarantee sustainable long-term growth, increase profitability, help product marketing while maintaining environmental concerns, assist in breaking through new markets and enjoy sustainable competitive advantage benefits.

Green marketing strategies to achieve SCA can be built by improving the quality of service (interaction and outcomes) with hospital customers (Afifi and Amini 2018). However, this does not mean that this strategy does not have obstacles. Hospitals may face problems such as rising costs and prices.

## Conclusion

Green marketing is not limited to the production process of environmentally friendly services but includes all marketing activities necessary to develop and maintain the environmentally friendly attitudes and behaviors of service providers and customers. It should be understood that green marketing has two goals, namely improving environmental quality and customer satisfaction. Thus, the implementation of green marketing into a marketing strategy can be the key in achieving sustainable competitive advantage in hospitals.

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