

# AN ASSESSMENT OF LEGAL AND REGULATORY IMPLICATIONS OF PRACTICING SUSTAINABILITY MARKETING IN THE GHANAIAN TELECOMMUNICATION SECTOR

**Benjamin Baroson Angenu, University of Professional Studies**  
**Ibn Kailan Abdul-Hamid, University of Professional Studies**  
**Winston Aseidu Inkumsah, University of Professional Studies**

## ABSTRACT

*The aim is to examine the sustainability marketing practices of a market leader in the Ghanaian telecommunication sector. To ascertain the focus areas where the telecommunication firm carries out sustainability initiatives. Accordingly, a qualitative research methodology was adopted where a case study design was utilized. The study collected data from the corporate website and an interview with some senior managers of the firm in charge of sustainability for triangulation of facts. Consequently, thematic and content analyses were used to analyze the findings. The Study found: health, education and economic empowerment as the focal areas of the telecommunication firm in Ghana. Although, the telecommunication firm seems not to be practicing sustainability marketing dimensions of economic; social and ecological. The study found traces of evidence suggesting that the firm have environmental and economic activities that are qualified to be described as sustainability marketing. The study recommended that the firm should focus and report on their environmental, social and economic initiatives.*

**Keywords:** Sustainability Marketing, Legal, Regulatory Implications Triple Bottom Line, Telecommunication.

## INTRODUCTION

Sustainability Marketing (SM) may be applied in different perspectives comprising; social marketing, cause-related marketing, green marketing, ecological issues, social issues, economic issues, corporate social responsibilities, ethics, and relationship-based (Nkomo & Sehoole, 2007; Belz & Peattie, 2009). Thus, SM takes into consideration environmental and ethical issues which are left aside in the ordinary functioning of some economies (Nkamnebe, 2011). Sustainability marketing has become strategically significant due to the dramatic growth of environmental problems and public awareness of these problems at the global level. Businesses should keep in mind that sustainability marketing is now a requirement and that; it is no more an option. The times have gone when it was an option, now it is an obligation for businesses to achieve competitive advantage (Kumar et al., 2012). Therefore, businesses are required to consider their effects on the environment, economy and social business environments (Asif et al., 2011). Businesses are to explore the possibility of the environmental issues in their business practices, as well as the adverse effects of these practices on the environment. The concept of marketing

has extended towards fulfilling the needs of future generations, which further means that, businesses must now create, communicate and deliver sustainability-based value to the customer (Kumar et al., 2012). There has also been a rising acknowledgement of environmental protection as a sub-set of sustainability marketing (Asif et al., 2011). Therefore, SM should be distinctive through recognizing and pursuing the potential of businesses to change and protect the environment within which they operate (Peattie & Belz, 2010).

The telecommunications sector has enjoyed a high growth rate in the world among other sectors. The Ghanaian telecommunication sector is liberalized thereby increasing competition in the sector with regulators closely monitoring the sector's activities (Mahmoud & Hinson, 2012). In addition, SM may be crucial for improving firm image to influence market performance like market share (Luo & Bhattacharya, 2006; Mahmoud & Hinson, 2012). The market performance refers to the results of investment, number of customers, return on sales, and market share in target markets. Research has shown that superior market performance has always been dependent on the compatibility between SM and competitive advantage (Taherdangkoo et al., 2019). Specifically, businesses oriented towards SM identify and develop specific capabilities to implement that are a source of competitive advantage in a market increasingly conscious and attentive to sustainability issues (Taherdangkoo et al., 2019).

The Ghanaian telecommunication sector is fast growing with multinational companies like MTN, Vodafone, Airtel-Tigo, Glo, and Expresso as key industry players. The Organizational Ecology Theory and Upper Echelons Theories could be used to explain the concept of SM. Telecom firms emerge, evolve, and die in response to changes in their environment is the base arguments of the organizational ecology (Connelly et al., 2011). Therefore, telecom firms that do not adapt their processes to become more sustainable may be selected out of the population. Whereas, firm outcomes arise largely from the decisions of a dominant coalition, and are therefore influenced by the cognitive bases and values of this group as argued by Upper Echelons (Connelly et al., 2011). Therefore, decisions about sustainability are shaped by past practices and managerial backgrounds. More diverse top management teams may be more creative and proactive about sustainability efforts. Consequently, this study is guided by these two theories in investigating SM practices of a telecommunication giant in Ghana.

## LITERATURE REVIEW

Sustainable Marketing (SM) is a process of creating, communicating, and delivering value to clienteles in such a way that both human capital and natural are well-kept or improved (Martin & Schouten, 2014). SM is theorized from a social responsibility perspective as “*triple bottom line*” which means that organizations need to explicitly consider the environmental, economic and social impacts of their activities which is similar with the sustainability development tenets (Asif et al., 2011). SM has multi-disciplinary connotation and implications (economic, technology, social, environmental, ethical, etc.); comprising human conditions, and predicts capacity for societal perpetuation (Nkamnebe, 2011).

The Triple Bottom Line (TBL) is a metric for measuring sustainability (Sridhar & Jones, 2013). TBL is the creation of products using systems and processes which are safeguarding energy and natural resources, non-polluting, economically worthwhile, safe and healthful for communities, employees, and consumers, socially and creatively rewarding for all working people (Krajnc & Glavic, 2005). TBL is a resolute effort to integrate economic, environmental

and social considerations into a company's evaluation and decision-making processes (Jackson et al., 2011). The three SM dimensions are: economic; social; and environmental dimensions. The economic sustainability is always a must for human wellbeing. Economic sustainability is the ongoing ability of an economic system to provide for all human needs (Martin & Schouten, 2014). The social sustainability refers to the ongoing ability of communities to provide for the well-being of their members (Martin & Schouten, 2014). The environmental sustainability dimension emanates from the growing demand on scarce resources and the pollution generated by the rising living standards of the relatively affluence (Martin & Schouten, 2014). Table 1 shows some of the social, economic and environmental sustainability issues.

<b>Social</b>	<b>Economic</b>	<b>Environmental</b>
Workforce diversity	Public reporting	Waste generation
Working condition	Local industry participation	Atmospheric pollution
Freedom of association	Economic development	Resource use e.g., water
Worker and human right	Jobs created	Toxic material disposal
Paying appropriate wages	Corporate governance	Material sourcing

Source: Martin and Schouten (2014).

Krajnc & Glavic (2005) identified some common principles of sustainability: dealing cautiously with risk, especially with perceived irreversibility; appreciation and value for nature; integration of environmental, social, and economic goals in planning (triple bottom line); community participation in planning; conservation of biodiversity; concern for the equity of future generations; sensitivity to global effects; commitment to best practices; no net loss of human or natural assets; continuous improvement; good governance. The number of leading companies that are starting to adopt principles of sustainability marketing continues to grow.

The outcomes of practicing SM are either positive or negative. Some of the sustainability marketing consequences are: Green customers, green products, re-manufactured, BTO products (Sharma et al., 2008); Product preference (Luchs et al., 2010); Competitive advantage, lower costs, innovation, better workforce, differentiation, being a head of regulation (Martin & Schouten, 2014); Equity and Economic growth (Thomas & Hult, 2011); Brand performance and sustainable performance (Mahmoud, 2016); and Promoting economic development and raising living standards (Gordon et al., 2011).

## METHODOLOGY

The study adopted a qualitative research methodology. A single case study approach was utilized where a market leader was identified for investigation. The National Communication Authority of Ghana (Regulator of the sector) provided data suggesting that the case company was the market leader in Ghana ([www.nca.org.gh](http://www.nca.org.gh)). Interviews and archival data were used for this study. The study contacted the MTN foundation in Ghana (corporate website and interview). The interviews were used to explain the archival data. This approach was used due to the weakness in either of the strategies. A content and thematic analysis was utilized. Content analysis is an objective, systematic, and description of a manifest content of communication (Malhotra & Dash, 2011). It is an important tool that is primarily based on identifying the

availability of information in various disciplines. The thematic analysis assisted in reducing the findings into sustainability marketing, corporate social responsibility, green marketing and technology development.

## FINDINGS AND DISCUSSION

MTN Ghana Foundation is responsible for sustainability activities of the telecommunication giant. The Foundation was established in 2007 to drive all MTN's sustainability initiatives. The goal of the foundation is to: support communities in the form of social investments, social empowerment and national development, corporate social investment as part of the firms' strategy, improvement of brand image through social activities, teamwork through proactive employee volunteer associations and strategic partnerships with national and international partners and stakeholders. Thus, sustainability is divided into three focus areas of health, education and economic empowerment.

*“The Foundation aims to achieve a broad community impact by supporting national development priorities in the area of health, education and economic empowerment. So, if you come to MTN Ghana foundation for instance, we have three focus areas which are health, education and economic empowerment”*

### Economic Dimension

A sustainability marketing center on the economic value provided by the organization to the surrounding system in a way that makes it prosper and promotes its capability to support future generations (Alhaddi, 2015). Thus, the economic dimension looks at the monetary impact of an institutions sustainability initiative and how those initiatives are going to benefit the inhabitants financially, as well as the future generations. Activities in this regard looks at issues such as return on investments, taxes paid, monetary flows, and jobs created. MTN Ghana Foundation has contributed hugely towards the livelihoods Ghanaians. Some initiatives found on MTN website includes: Tizaadini Shea Butter Production Project, which provided seed capital of GHC 500 to women in transforming lives of beneficiary communities. A decent means of livelihood for persons with disabilities (PWDs) with 150 tri-cycles that is motorized and powered by solar panels were provided. The tricycles serve as a point-of-sale center for airtime, SIM cards and registration processes, use of MTN Mobile Money as well as power outlets for charging customers handsets.

*“We at MTN Ghana Foundation, and indeed MTN Ghana, are very excited about this project because it gives meaning to our dream of building ICT businesses in the country. Without entrepreneurs like you, our dream of making Ghana a digital economy cannot be achieved. The hidden intent is that, when you do well, people tend to patronize you more. So, assuming you give someone money, they will always be coming back to you and for businesses, that's loyalty and brand affinity” - Corporate website*

Agriculture is a contributor to the Ghanaian GDP, whiles creating income generation and alleviation poverty. The MTN Ghana Foundation in partnership with Esoko networks undertook a project in 2011 that seeks to provide timely agricultural information such as produce price alerts, bids and offers, news and advisories to farmers at eight (8) pesewas per text. In addition, MTN offered 500 farmers with training at a cost of \$11,000. In as much as MTN was charging

the farmers per text, the benefits these farmers derived from this initiative was far more than the cost the farmers were incurring in their quest of using the service. A “seed” is been planted into these start-ups as MTN’s gives better livelihoods to these farmers by helping curb unemployment, and encouraging agribusiness in Ghana.

### **Social Dimension**

SM encompasses activities geared towards maintaining a healthy relationship with inhabitants of a community hosting a firm. These activities have positive impacts on the lives of community members comprising of: educational facilities, health needs of the people, and some other activities that help in adding value to the lives of community members.

*“It ensures that the mast that it builds will not fall on anybody. It is looking at the environment and also being aware that it’s not going to impact negatively on people’s health”*

MTN has undertaken health projects such as the Korle Bu Maternity Ward Project in Accra, by physical refurbishing of the 2<sup>nd</sup> floor of labor ward and provided equipment’s (delivery beds and theatre machines). A workshop on drug abuse and HIV for SHS students was held in four (4) regions of Ghana. The drilling of twenty (20) boreholes for communities in the Lawra and Wa East Districts of Ghana were executed. MTN Ghana has also undertaken numerous projects in the attempt to facilitate the level of education both in deprived and under privileged communities, as their quota towards making education and computer literacy a right not a privilege for the average Ghanaian. The construction of a KVIP for Tamale Secondary School in the Northern region of Ghana and also provided laboratory facilities and constructed streetlights to address the issues of security in that school.

*“And so, if people are studying under trees and I want to do something for them, I am going to put up a classroom block and I have to furnish it with the necessary facilities and we have to ensure that there is a teacher that will be taking care of them. So, for instance, MTN has so much and there are a lot of people who are very brilliant but because of their poor economic background they can’t go to school. So, what MTN does is, it takes care of their fees and now some of them are medical doctors and the likes*

The case company has also instituted 21 Days of Y’ello Care where staff volunteers give off their time and effort to serve their communities for 21 days in the month of June every year. This activity has made MTN Ghana the best among all the 21 MTN subsidiaries for the year 2010 and 2011. The theme for MTN Ghana’s Y’ello Care is “*Investing in Education for All*”, with special focus on Information and Communications Technology (ICT) education.

*“We are hopeful that the employees’ volunteer activities will have a positive impact on the lives of learners and educators in our markets. By leveraging our strengths in technology to enhance education, MTN employees are contributing towards creating a lasting impact in our communities. In line with our vision, MTN volunteers have chosen to build e-libraries in Accra, Kumasi and Tarkwa. These libraries will provide teachers and students with access to over 40,000 e-books from around the world and on a wide range of subjects from arts to the sciences and much more-Corporate website”*

### **Environmental Dimension**

The countries in which MTN operates are among the most environmentally vulnerable parts of the world, and largely have the least economic resources to cope with the negative effects of environmental events and resource constraints. MTN's environmental impact relate to their consumption of energy (electronic and electrical). This results in greenhouse gas emissions and end-of-life waste management challenges and opportunities as well as environmental impacts during the installation, operation and decommissioning of technical and non-technical infrastructure and facilities. MTN's investments in efficient and green power sources, energy, carbon accounting programmes, e-waste management and office greening projects, are ensuring the company continually works towards achieving more, with fewer resources, and a reduced environmental impact.

*"When you go South Africa for instance, they are far advanced. Even with the lights that they use, the moment the last person walks out of the building, all the lights go off and so there is nothing like someone forgot to put off the lights. They are saving energy. The bulbs they use are the ones that consume less energy..."; "329 green sites across the MTN network and 7 947tCO<sub>2</sub>e Green House Gas emissions avoided. Between 2011 and 2014, energy efficiency solutions have been implemented at 9,989 network sites, as well as at data centers, switches, hubs and office buildings-Corporate website"*

The CEO of MTN Ghana and his team designed and sewed school bags from their own banners and flexi materials for school children in selected schools in Accra, Kumasi and Tarkwa. In 2015, MTN Group had an additional 450 sites improved. 5,345 tons of e-waste handed over for extracting valuable elements and components for safe disposal. In Ghana, the mast is of great concern to citizens as they feel it poses a great threat to their environment.

*"That is if it hasn't been erected well. But ordinarily, why should rain make it fall? It's because maybe there was an issue when they were fixing it but those machines that we use are tested from World Health Organization before we use them, now we don't even build the masts anymore. We do what they call collocation just to prevent all the seven telecommunication companies going to one area and setting up a mast there ...."*

The fight against wildlife poaching in 2016 is embedded in tracking systems into the horns of vulnerable animals is another area MTN is considering investing into. It plans to enable climate-smart agricultural solutions in some of its markets by deploying M2M connectivity for remote monitoring and decision-support services for challenges such as water balance, disease and climatic conditions, trade information and mobile payments and offering agricultural content on mobile devices in 2016.

*"...We are also catching up. It's an initiative from our parent company. We are also doing green initiatives. So, what we are doing is that we are starting with waste. We are doing recycling. When you buy food in a pack, we have a place you put it so that you don't throw things about anyhow. We are recycling the paper from the printers. We have a special place we put those papers and at the end of the week people come for it. So, the waste is separated into plastics, organic, paper and all that. So that's our green initiative..."*

## CONCLUSION

The study found that MTN Ghana's CSR focus is health, economic empowerment and education. In addition, MTN Ghana engages its stakeholders in designing their CSR activities.

Sustainability (social, economic and environmental responsibilities) is part of MTN's core strategic values. MTN Ghana fulfills social obligation by ensuring that masts do not have a negative impact on the environment, thus their collocation initiative. MTN Ghana makes it their social responsibility to find ways of uplifting communities in which they operate by providing ICT expertise and resources to improve access to education, develop entrepreneurs and enterprises etc. MTN demonstrated their environmental concern by encouraging workplace safety measures, reducing the impact of their activities on climate and air pollution, minimizing workplace hazard, improving the health of community dwellers, and supporting voluntary community development programmes. MTN is able to enhance the firm's competitive position in its market. Findings therefore support the fact that CSR actually has a positive effect on corporate image of the organization. The study recommends that, the firm should focus and report on their environmental, social and economic initiatives strategically. This is because, the current reports on the corporate website does not clearly articulate their sustainability practices in the social, economic and environmental dimensions.

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