

What Is Green Growth Strategy for Government Link Company?

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Abstract. Disasters around the world are very extreme because of the global warming and climate change. Malaysia firms have to play their role in handling the challenging of environmental problems in order to sustain. The feature of the new strategy which is green growth strategy has been identified. The study focuses on the features of the green growth strategy which discuss on the keys to sustaining the strategy, marketing emphasis, production emphasis, product line, basis of competitive advantage and strategic target. Business had contributed to the industrialisation era positively or negatively and therefore there is a must for business people to use the best strategy in reducing the environmental risks. By 2020, Malaysia will achieve the target in becoming an advanced economy by applying the right strategy. The objective of this paper is to propose a feature for new strategy known as green growth strategy. Future study is to propose to conduct an empirical analysis to confirm the green growth strategy features.

1.0 Introduction

In facing of environmental and economic challenges nowadays, national have put a lot of efforts in promoting a new source of growth which is green growth. OECD (2012) stated that the policy of sustainable and economic is a green growth matter. In order to sustain, business play a significant role. Anuar (2012) believe that the impact that we experience today is because of the contributing of the business in terms of society, economy and environment.

According to Fayers (1999), the environment is harm due to the growing physical evidence of unsustainable future at the current rate of natural resources consumption. Disasters around the world are very extreme because of the global warming. In decision making, there is a must for the business people to analyse carefully the impact of the environment and society (Amran, 2010). Disaster risks and inclusivity can be enhanced as well as the economic opportunities can be expanded by successful green growth (Eleventh Malaysia Plan).

The objective of this paper is to propose the new business strategy besides five generic competitive strategies which is green growth strategy. This new strategy supports the Eleventh Malaysia plan to become an advanced economy by 2020 as this strategy applies green growth practiced in achieving a resilient, low-carbon, efficient in term of resource and socially-inclusive manner. Besides that, in preparing the nation for challenges in the future, green growth is a development trajectory which considers the dimensions of sustainable development which is social, environment and economy (Eleventh Malaysia Plan).

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2.0 Five Generic Competitive Strategies

According to Ritika (2013), for an industry to create a defensible position, competitive strategies involve taking defensive or offensive actions. Broad differentiation, focused low-cost provider, low-cost provider, focused differentiation strategy and best-cost provider are the five generic competitive strategies (Thompson, Strickland and Gamble, 2011). Ritika (2013) believe that generic strategies help organization in competing rivals and help in coping with the competitive forces.

Rather than being one of competitors with comparatively low costs, firms can achieve low-cost leadership. It can be achieved when the company becomes the industry's lowest-cost provider (Thompson, Strickland and Gamble, 2011). The services or products creation that is unique throughout its industry at the broad market is aimed as differentiation (Ritika, 2013). According to Thompson, Strickland and Gamble (2011), whenever customer's preferences and needs are too diverse to be fully satisfied by sellers or by a standardized product with identical capabilities it is the time when differentiation strategies are attractive.

In incorporating upscale attributes, the competitive advantage of a best-cost provider is lower costs than competitors. For whose products that have similar upscale attributes, it is putting the company in a position to underprice competitors. Focused low-cost provider is a focused strategy that is based on low cost. By serving customers a lower price than the competitor and in the market niche that is targeted, this strategy aims at securing competitive advantage (Thompson, Strickland and Gamble, 2011). Thompson, Strickland and Gamble (2011) stated that a focused differentiation strategy is a strategy keyed to differentiation that aims at securing a competitive advantage. Differentiation of competitive advantage with a product offering carefully design to appeal to the needs of a narrow, well-defined group of customer needs and preferences that is unique.

3.0 Green Growth Strategy

Former President of Republic Korea (2008) defines green growth as "a new national development paradigm for job creation and new growth by using green and clean technology" (World Water Council, 2015). Green growth means ensuring the natural assets continue to provide the environmental services and resources on which our wellbeing relies and fostering the development and economic growth (OECD, 2011). UNEP (2011) believed that the concept of green growth is significantly reducing ecological scarcities and environmental risks. Green growth is also significantly improving social equity and improved human well-being.

Example of green growth strategy that can be practiced by company is by producing green products (OECD, 2015). OECD (2009) states that green products or environmentally products are product that having packaging that is eco-friendly which has the long term goal of natural preservation with low detrimental environmental impact at all stages of its life cycle. These products are bio-degradable, non-toxic chemical, recyclable and reusable.

4.0 Features of Company Strategy

From above discussion, below is the summary of the business strategy for all business strategy discuss in this paper.

Table 1. Features of company strategy

Features	Low-Cost Provider	Broad Differentiation	Best-Cost Provider	Focused Low-Cost Provider	Focused Differentiation	Green Growth
1. Strategic target	A broad cross-section of the market.	A broad cross-section of the market.	Value-conscious buyer.	A narrow market niche where buyer needs and preferences are distinctly different.	A narrow market niche where buyer needs and preferences are distinctly different	Environment conscious buyers
2. Basis of competitive advantage	Lower overall costs than competitors.	Ability to offer buyers something attractively different from competitors.	Ability to give customers more value for the money.	Lower overall cost than rivals in serving niche members.	Attributes that appeal specifically to niche members.	Ability to give customers more value for the money
3. Product line	A good basic product with few frills (Acceptable from quality and limited selection)	Many product variations, wide selection; emphasis on differentiating features.	Items with appealing attributes; assorted upscale features.	Features and attributes tailored to the tastes and requirement of niche members.	Features and attributes tailored the tastes and requirements of niche members.	Product variations that is friendly environment
4. Production emphasis	A continuous search for cost reduction without sacrificing acceptable quality and essential features.	Build in whatever differentiating features buyers are willing to pay for; strive for product superiority.	Build in upscale features and appealing attributes at lower cost than rivals	A continuous search for cost reduction while incorporating features and attributes to niche member preferences.	Custom made products that match the tastes and requirements of niche members	Build in environmentally safe product features
5. Marketing emphasis	Try to make a virtue out of product feature that lead to low cost	Tout differentiating features Charge a premium price to cover the extra costs of differentiating features.	Tout delivery of best value	Communicate attractive features of a budget-priced product offering that fits niche buyers' expectations.	Communicate how product offering does the best job of meeting niche buyers' expectations.	Communicate attractive features of a green product that fits the buyers' expectations.
6. Keys to sustaining the strategy	Economical prices/good value. Strive to manage costs down in every area of the business.	Stress constant innovation to stay ahead of imitative competitors.	Unique expertise in managing costs down while incorporating upscale features and attributes.	Stay committed to serving the niche at lowest overall costs.	Stay committed to serving the niche better than rivals;	Stay committed to produce green product in order to sustain

5.0 Conclusion and future study

This paper would like to propose among the green strategy features which are strategic target, basis of competitive advantage, product line, production emphasis, marketing emphasis and keys to sustaining the strategy. The green growth strategy that is proposed in the generic competitive strategies is focusing on the strategy in producing green goods and services. The product line of green growth strategy is to produce product variations that are friendly environment which is green products. According to OECD (2013), the key policies to be considered are fostering green technology research and development (R&D), innovation and identifying the potential for green specialization. The green product specialization thus can reduce the environmental risks towards the economy, environment and social as potential sources for growth.

The strategic target of green growth strategy is value-conscious buyers. Tsay (2010) stated that customer that perceiving green product in having superior quality product seems to pay higher premium for the higher income group customers. Green purchase decision could be triggered by emotions exhibited towards the enhancement of the responsibility of the individual and the environmental protection (Rex and Baumann, 2007). Buyer behavior towards buying green products is impacted by the desire for knowledge regarding the product attributes and novelty (Tanners and Kast, 2003). Therefore, firms have to apply the green growth strategy in order to sustain and compete with the rivals.

For future study, the future study is to propose to conduct an empirical analysis to confirm green growth strategy features as above.

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