

## Green startups in Algeria between reality and prospects

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**Abstract:** Like other developing countries, Algeria seeks to follow the approach of developed countries in paying attention to startups institutions due to their contribution to developing the national economy and achieving growth, because of their effective role in providing job opportunities for young people in particular and opening new trends that were not concerned with before, and we will try. Through this research paper, we refer to the Algerian experience of emerging institutions that carry innovative ideas compared to traditional institutions. We therefore chose green institutions because they are interested in a new trend within the interest in providing green products that are environmentally friendly, are interested in implementing social responsibility, and have a role in achieving sustainable development.

**Keywords:**Green marketing, green start up, The Algerian experience.

**Jel Classification Codes:**M 31, Q55.L26.

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### **1. INTRODUCTION**

Recently, Algeria has been seeking to open the way for young people, in particular to experience emerging enterprise, The latter is characterized by the element of innovation and economic growth, in addition to opening employment opportunities .

The Algerian government has also been interested in the green economy for the last twenty years due to its importance for achieving sustainable development, Green marketing is considered one of the most important areas of implementing the green economy and embodying it on the ground, especially by emerging institutions .

The studied problem :What is the reality of the trend of emerging companies in Algeria towards green marketing?

As we strive through this paper, we will attempt to answer a set of questions :

- What is green marketing ?
- What do we mean by green startups?
- What are the best practices towards green marketing in Algerian startups?

### **2. Startups and green marketing:**

#### **2.1 Definition, principles and importance of Green Marketing :**

##### **2.1.1. Definition of green marketing :**

- a. Green marketing eco-marketing or environmental marketing can be defined as marketing products which are supposed to be safe for the environment. Green marketing is also defined as the activities that creates exchanges satisfying consumers wants and needs with minimal negative impact on the environment;(METALI, 2020, p. 236)
- b. Green marketing is also known as the promotion of the company's sustainability products. Companies might design sustainable packaging, create products that reduce the consumer's carbon footprint or use eco-friendly procedures during the distribution process. . (Indeed, 2023)
- c. Green marketing is the process of using and promoting environmentally sustainable products and services. Additionally, it refers to a wide range of sustainable strategies and practices.(upGrad, 2022)

It has to be said that companies are increasingly aware about their responsibility toward the protection of the environment. Actually many companies are adopting environmental sustainability policies, while a number of them take care of consumer environment by taking the necessary actions to follow the new regulations or to avoid problems with the environmentalists. Enlightened companies are taking action because they believe that this is the right thing that should be done as beneficial for the company and the future of the planet's environment;(METALI, 2020, p. 239)

The following figure shows some practices that companies can use to improve their transition toward environmental sustainability.

**Table 1. Green activities in light of environmental sustainability**

Particulars	Today: Greening	Tomorrow: Beyond Greening
<b>Internal</b>	Pollution prevention Eliminating or reducing waste before it is created	New clean technology Developing new sets of environmental skills and capabilities
<b>External</b>	Product stewardship Minimizing environmental impact throughout the entire product life cycle	Sustainability vision Creating a strategic framework for future sustainability

**Source :** Pandi, R. G.. A Study on Green Marketing Practices in Virudhunagar District," PhD Thesis in Commerce. Madurai Kamaraj University, India, 2015, p. 50.

**1.1. Principles of green marketing :**

Principals of green marketing can be summarized as follows :(Business Jargons, s.d.)

Figure. 1 :Principls of green marketing

- **Consumer-Oriented Marketing:** The notion says that the firm should perceive the



marketing activities from the consumer’s viewpoint, so as to develop a lasting and profitable relationship with them.

Source :<https://businessjargons.com/wp-content/uploads/2020/10/principles-of-green-marketing.jpg>

- **Customer Value Marketing:** As per this notion, the company should allot its resources that add value to the product or service they offer, rather than simply changing the product packaging or making a huge investment on the advertisement. this is because, when the value is added to the product, they will be valued by the customers also.
- **Innovative Marketing:** To strive for real product and marketing improvements, says the third principle, i.e. innovative marketing. We all know that the world is ever-changing and so does the tastes and preferences of the customers. therefore, the company should always look for new and improved methods, to not lose customers easily.
- **Mission Marketing:** The company's mission should be broadly defined, in social terms and not in the product. This is due to the fact that if a company states the mission that has some social welfare hidden in it, the employees feel proud to work for a good cause and work in the right direction.
- **Societal Marketing:** As per this principle, the marketing decisions made by the company must take into account the wants and interest of the consumers, company's requirements and the social welfare.

Therefore, green marketing demands products and services which are not only eco-friendly but also beneficial for society .(Business Jargons, s.d.)

### 2.1.2. Importance of green marketing :

The most important benefits of green marketing can be summarized as follows :(METALI, Key Strategies for Green Marketing Success, p. 101)

- **New markets:** There is a group of customers who are aware of the importance of green products for their health and the environment, despite their high prices compared to traditional goods.
- **Brand loyalty :**Loyalty increases the business market share and income significantly
- **Promoting the image of the company :**In recent years, institutions that care about the environment have begun to find popularity among consumers, especially those who prefer green products
- **Reduced expenses :**green marketing can lower the costs of the company. ;

## 2.2. Startups or Emerging enterprises :

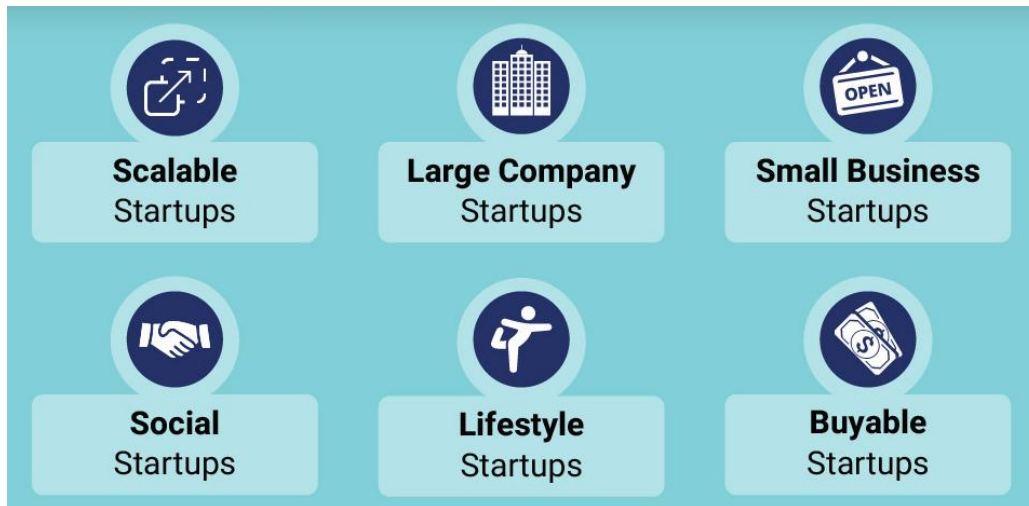
### 2.2.1.Definition and types ofstartups:

- A startup is a young company created by one or more entrepreneurs to provide products or services.The goal of a startup is to promote innovation and realize new ideas..(<https://sendpulse.com/support/glossary/startup>), s.d.)

- Technically a startup is an enterprise which works on the growth, commercialization, and the creation of brand-new products, services, or mechanisms that are driven by intellectual property or new technology. (Neeraj, 2023)

There are 6 main types of startups (as shown in Figure. 2) : ((<https://sendpulse.com/support/glossary/startup>), s.d.)

Figure. 2 :Types of Startups



Source : <https://cdn.startupsavant.com/images/startup-center/articles/types-of-startups-infographic.jpg>

- **Small business startups** : Those startups are simple where people work for themselves instead of traditional companies which usually recruit a professional such as personal trainers. This kind of businesses are designed to provide financial resources which are considered source of income of their owners.
- **Buyable startups** : Recently This kind of companies have become more popular The purpose of buyable startups is to attract larger companies to purchase them. These startups require less capital and they are sold off at peak value. Examples of buyable startups are app development markets or in the web in general.
- **Scalable startups** : Unlike small business startups, scalable startups are enormous companies that master the market. Google and Facebook are examples of scalable startups. This type starts with one idea; a scalable and an innovative concept that offer a solution. The purpose is to be aline with the other competitors in the market, while achieving high profit as well as high growth. That's why scalable startups require capital and large investments.
- **Social startups** : Corporate social responsibility is of great importance for this kind of companies. Furthermore, Social startups aim to make a difference in the world. A famous example is Ben & Jerry's ice cream, as this company objective is prison reform. While this company aims for profits; some other social startups are non

profits, and are instead are oriented towards making a positive change the world somehow.

- **Large company startups :** These companies start small and expand by providing new products and services to customers. Which means that they are based on an existing company instead of establishing a new one. Large companies often have both sustaining and disruptive innovation. Apple is a good example of Large company startups as it started off selling computers exclusively, while actually it provides a wide range of products and services such as : iPads, iCloud, and Apple Card.
- **Lifestyle startups :** This kind of startups is established by lifestyle entrepreneurs who transform their lifestyle to a business opportunity. This model comes from the entrepreneur's passion. It is less focused on profits than the other types. The purpose of a lifestyle startup is to extend the passion of the company founder.

### 2.2.2. Definition of green startups:

Green Entrepreneurship is the process of consciously addressing environmental and social requirements and problems, as well as developing brilliant, original business concepts that will provide a solution. These concepts carry a high degree of risk, which benefits the environment while assisting in the maintenance of financial sustainability. For instance, many companies now forgo paper invoices in favor of paperless invoicing in the interest of sustainable company growth and ecological entrepreneurship.(Green Entrepreneurship, s.d.)

### 2.2.3 Characteristics of green startups :

The most important characteristics green startups, can be summarized as follows:

- Helps to Create Plenty of Jobs and Youth Employment Opportunities ;
- Drives Sustainable Changes ;
- Changes the Status Quo ;
- Needs Financial Support ;
- Requires Green Education ;
- Maximizes the Social Benefits of the Business(Green Entrepreneurship, s.d.)

## 3. The reality of startups in Algeria :

In 2009 the first incubator appeared in Algeria represented by the Cyber Park of Sidi Abdellah. Which is designed to promote and develop startups, The key market of startups in Algeria is the communications sector and online marketing. Most managers are young people, especially university graduates, as they have creativity. (Beggar, 2016, pp. 31- 42)

Oued Kniss Company is a good example of the most successful startups in Algeria, However in addition to the lack of an encouraging investment climate, startups are usually considered as a non-profitable business, while startups create wealth and job opportunities. Further to the

presence of bureaucratic obstacles, the laws have changed since 2000, making it possible to obtain the commercial register within 48 hours, but there is still procrastination in administrative process. (حسين و صديقي، الصفحات 77-78).

#### 4. Models of Green Startups in Algeria:

In this section, we'll review the models of three green startups in Algeria, namely: **Aquayate**, **L'Ours For Oil And Gaz Services** and **Green tech Innovation**.

##### **4.1. AQUAYATE –Bechar :**

AQUAYATE is a Startup that offers the opportunity to Kids, Vegans, organic food lovers and deficient people to get an Organic product "BIO" with high nutritional value, which is a microalgae SPIRULINA with different forms: powder and tablets. The company allows customers to fill their nutritional deficiencies because of its high nutrient supply, all this without having a negative impact on the environment. ([https://www.youtube.com/channel/UCc4HOH2\\_fUdkrbH693WO6cg](https://www.youtube.com/channel/UCc4HOH2_fUdkrbH693WO6cg), s.d.)

Figure. 3 : Aquayate Spirulina



Spirulina (As shown in Figure. 3) is a microscopic algae that grows naturally in warm, alkaline waters in tropical and subtropical regions. It is considered a superfood due to its high content of protein, vitamins, minerals, and antioxidants. Spirulina is often sold in powder or tablet form. It is used as a dietary supplement to improve health and to combat nutrient deficiencies, fatigue, stress, and inflammatory diseases. This algae is also used as feed for fish and livestock, and it is being studied for its potential applications in renewable energy production and environmental remediation. (<https://aquayate.com/>, s.d.)

The company is currently providing spirulina powder in addition to other spirulina-based products such as couscous (See Figure. 4), pastas and rice. The manufacturing process is made in a mini-station for producing this spiral algae, located in a greenhouse on the terrace

of the start-up's headquarters building, where the laboratory is located in the same place.(Bechar, 2022)

**Figure. 4 : Aquatates Couscous with Spirulina**



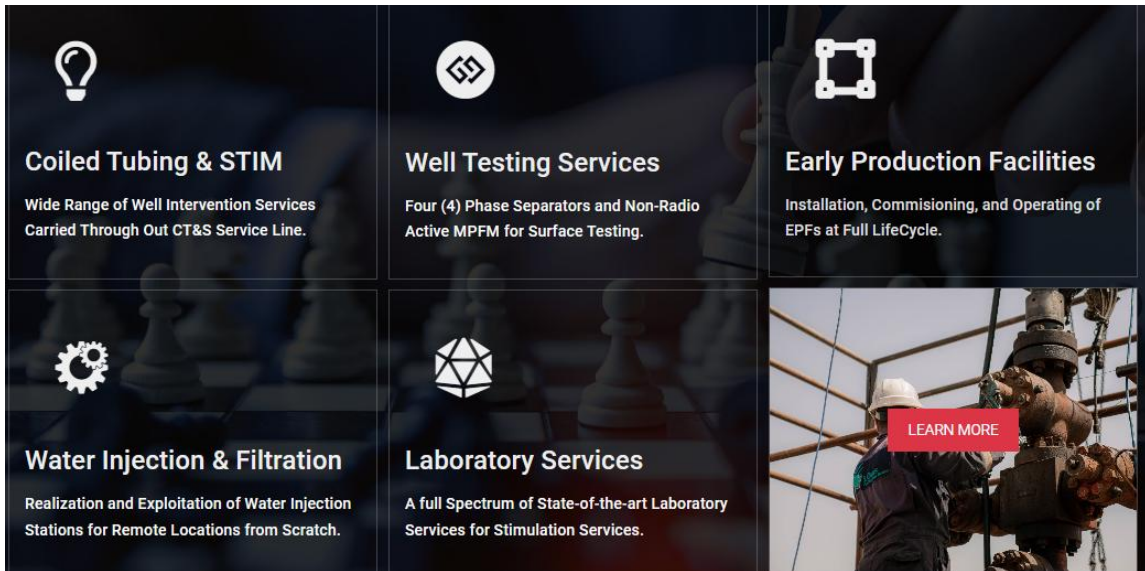
Source : [https://www.facebook.com/Aquayate/?locale=fr\\_CA](https://www.facebook.com/Aquayate/?locale=fr_CA)

#### **4.2. L'OURS FOR OIL AND GAS SERVICES-Hassi Messaoud**

This company was established in 2021 in Algeria. It is a National independent oilfield service company focused on local markets. The company is looking at rapidly expanding in the range of the services it provides and the markets it serves. It is starting modestly with two sets each of; Well Testing Services, Slickline Services, Multiphase Flow Meter, and Coiled Tubing & Pumping Services with a clear objective: to become an outstanding oilfield services company serving entire reion of North Africa.The services provided by the start up can be seen in Figure. 6.



Figure. 6 :L'OURS FOR OIL AND GAS Services



Source : <https://www.lourscorp.com/>

The company recognizes that the key to achieving this ambitious objective requires attracting top-quality experts across all organizational levels to enhance a culture of high service quality and customer focus from day one. Furthermore, this startup is known as the first local Algerian provider of a range of oilfield services, beginning from Well Testing/ Coiled tubing to Integrated Oilfield Services. (<http://www.lourscorp.com>, s.d.)

A memorandum of understanding on the creation of a consortium was signed between The National Company of Civil and Building Engineering (ENGCB), a subsidiary of the SONATRACH Group and the start-up "Ours for Oil & Gas Services" indicating the Provision of production facilities in two batches .(Sonatrach News, 2021)

The company brings three core values to help its clients succeed :(<http://www.lourscorp.com>, s.d.)

- **Excellence:** in Customer Service Focus ;
- **Service Attitude Commitment:** to deliver to the highest standard HSE awareness and Quality Service Delivery through brand new Equipment,
- **Team-work:** Professionals in the services provided by the company.

To be the client's trusted service partner of choice as a result of the green startup proven commitment and results in delivering quality services in a safe, environmentally friendly,

and professional manner in the Oil & Gaz industry in Algeria. The company aims to deliver services to its clients at the highest standards where client's needs become its objectives. We will enrich the local's knowledge wherever we operate. (<http://www.lourscorp.com>, s.d.)

### 4.3. Green tech Innovation:

This company aims to promote green innovation as well as creating the first private digital laboratory in Algeria (Fablab), further to preserving the environment through linking digital and technological issues to environmental problems.

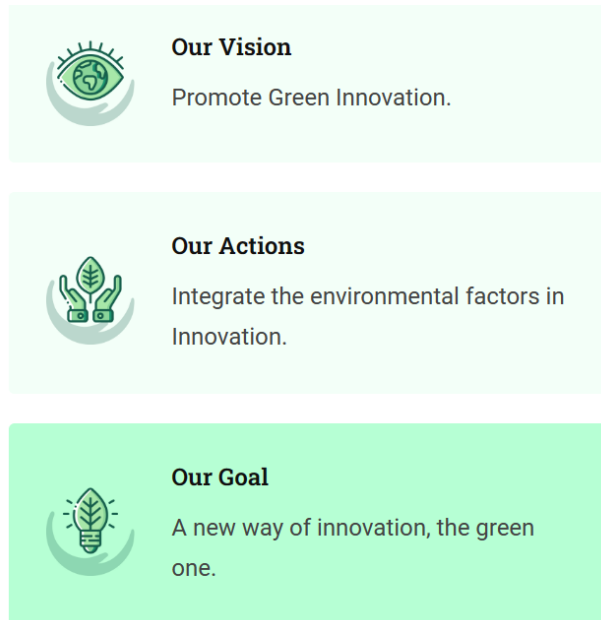
**Figure7 : Green Tech Innovation Logo**



Source : <https://www.facebook.com/photo/?fbid=175604648314828&set=a.175604654981494>

As shown in Figure. 8, the startup is devoted to promoting the green and environmental issues as well as integrating them in innovation.

**Figure. 8 : Green Tech Innovation Vision, Actions and Goal**



Source : <https://www.gt-innov.com/>

Green Tech Innovation aims to promote Green Innovation by :(https://www.gt-innov.com/, s.d.)

- Helping students, startups, universities, companies and makers to innovate products or services differently;
- Integrating of environmental factors into the product innovation phase, with the objective of making the lowest possible environmental impact, through the usage of recycled materials, reduction of carbon footprint, noise nuisance ... etc;
- Offering an innovative space (Fablab), coaching, workshop sessions to accelerate the prototyping phase.

**FablabSpace** is considered the first private Algerian digital laboratory that supports innovations and creativity, which is equipped with modern imported technical machines that allow the embodiment of various ideas and projects, including : 3D printer used for printing mechanical models after the design process, which allows drawing the innovators' ideas in an initial template that is transformed into a 3D model, then the laser cutter which is designed to cut objects with high-quality technology, attached to a wood carving machine with high technology that is programmed according to the users' wants and objectives..(Innovation, 2023)

The laboratory opens its doors for innovative students to receive basic knowledge for achieving their end of studies' project, while ensuring accompaniment for them.

In order to promote the environmental awareness, **Green Tech Innovation** cooperates with the *Environment House*, which opened the way for innovators in modeling and

entrepreneurship, while accompanying emerging startups in the field of environment through conventions with some international organisations.

And as part of promoting Environmental awareness among children, and highlighting the importance of preserving the environment as a tourist, GreenTech Innovation team organized an educational course for children from 10 to 16 years old at its headquarters in Boumerdes province within 4 days, where they learned programming using *SCRATCH*, further to designing an app to raise awareness of Eco-Tourism behaviors (See Figure 9.). The projects were presented at the end of the course day. (<https://www.facebook.com/photo?fbid=303644542177504&set=a.175604644981495>, s.d.)

Figure. 9 : Green Tech Innovation Scratch for EcoTourism



Source: Adapted from:

<https://www.facebook.com/photo?fbid=303644542177504&set=a.175604644981495>

(Consulted on : 30/11/2023).

The course aimed to informing children of the most important environmental challenges targeting their surroundings and forcing them, as actors, to determine an awareness program directed at electricity, water, plastic bags, and waste. Their programs are based on their imaginations and the message that describes their behavior to preserve the environment in the short, long and medium term. (<https://barakanews.dz/posts/green-tech-innovation-moss-nashy-thdf-ltaazyz-alabtkar-alakhdr-otsthdtth-aol-mkhbr-rkmy-khas-fy-algzayr,2023>)

## **6. CONCLUSION**

Green marketing is the process of using and promoting environmentally sustainable products. Companies and in particular startups are increasingly interested in protecting the environment as part of their social responsibility, further to the benefits that such practices can generate, mainly : Expanding into new markets, increasing brand loyalty, promoting the image of the company and reducing expenses.

Even Algeria is very late when it comes to startup creation, many startups, especially green startups were created by young people.

In this communication, We reviewed the best practices of three green startups, in Algeria, namely: Aquayate, L'Ours For Oil And Gaz Services and Green tech Innovation whose truly green practices are helping them both win and retain the market share of their customer base.

Starting with : AQUAYATE (Bechar), that offers an Organic product "BIO" with high nutritional value, which is a microalgae SPIRULINA, which is designed to allow customers to fill their nutritional deficiencies because of its high nutrient supply, without having a negative impact on the environment.

L'OURS FOR OIL & GAS SERVICES (Hassi-Messaoud) is a national independent oilfield service company focused on local markets. The company is looking at rapidly expanding in the range of the services it provides and the markets it serves. It focuses on attracting top-quality industry experts across functions and at all organizational levels to establish a culture of superior service quality and client focus from day one. It is the First Local Algerian provider of a range of oilfield services from Well Testing/ Coiled tubing to Integrated Oilfield Services. The three core values of the green startup are : Excellence in Customer Service Focus ; Service Attitude Commitment: to deliver to the highest standard HSE awareness and Quality Service Delivery through brand new Equipment and Team-work: Professionals in the services provided by the company.

The third Algerian green startup, was : Green tech Innovation, which aims to promote green innovation and to create the first private digital laboratory in Algeria (Fablab), as well as preserving the environment through the necessity of linking digital and technological issues to environmental problems. As part of promoting environmental awareness among children, GreenTech Innovation team organizes educational courses for children directing them to determine an awareness program regarding electricity, water, plastic bags, and waste.

Some recommendations can be formulated as follows :

- Creating a motivating environment for startups in Algeria, and providing financial support and guidance to them.
- Inspiring and benefiting from the experiences of developed countries in the field of green startups to achieve sustainable development.

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