

Successful Green Branding, a New Shift in Brand Strategy: Why and how it works

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Outsourcing is rather a new way of doing business and optimising a company's processes. The paper offers an overview of the definitions of the term, which are the benefits and the risks of the choice of outsourcing and how should this decision be made. Using various sources, we tried to create a proper image of this industry and explain what it will be still growing in the future. The study aims to address the global landscape and then focus on Romania's position on the market by using data provided by the National Bank of Romania and the International Monetary Fund, as well as consultancy companies.

Keywords: green brand, green branding, green positioning, eco-innovation, green value co-creation, green communication

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Introduction

The significant changes in the society way of life, among them the growing ecological, green consciousness, push towards an increasing importance of the green solutions, the marketing strategies included. As part of these solutions, the importance of green branding increases as a result of the efforts made for sustainable development. They should be part of the green efforts which can allow the companies to offer goods and services the consumers want and demand. The growing role of green branding is also explained by the benefits the sustainable development brings. The prevention of crisis, super-production and social downsides, cost reductions and innovation are among these benefits. In marketing terms, these advantages work for customers loyalty, brand valorisation and economic performance. Such observations are more important if the particular attributes of the green brands that have significant impact on the consumer attachment are taking into account. Widger (2012) who quotes Malar et al, suggests the following three attributes: the degree of product involvement-that is the customer's engagement with a product; the level of consumer self-esteem which shows how much the brand reinforce or enhance their own perception of self work, and the self consciousness. When planning for greening their brands, the companies must take into account before all the increased environmental consciousness which becomes a significant driver of the purchase behavior. This green consciousness and many other trends which represent a particular background work for consumers to be difficult being convinced and even being distrustful on the ecological, green claims about many products. As Joseph Zammit-Lucia (2013) writes, much many consumers scream "hypocrisy" and "tokenism" which means they are not convinced about the honesty, responsibility and social conscience of many companies which claim being greener or ecological, they and their products. That's why most green branding efforts do not fail because of "lack of consumer

demand”, they fail because these efforts are superficial, not grounded in the complexity of the current changes of the market, economy and society, end up sending messages that are often the opposite those intended.

In consideration of actual state of things and trends a successful green branding is needed but is not easy to work out. The ultimate goal of a green brand strategy should be gaining more consumers. The main requirement for achieving this goal is having green products that really bring supplementary individual benefits beside those for environment, resource saving and planet. Another condition for a successful green branding is having green products and brands with the quality, the design and the price the customers expect and agree. At the same time, all arguments about the green should be integrated in a communication strategy which could convince the customers about what the purchase of a green brand bring them. All the above efforts are more successful if better and closer relationships with the customers are established.

In terms of academic and practical approach, a successful green branding needs the sound understanding of the concept. As Cordeiro and Joon (2013) suggest, there is a distinction between the green branding and the practice of eco-labeling. The green branding focuses on the brand reputation for greenness with the consumers while the eco-labeling is associated with specific goods and services. These arguments are strong reasons for a balanced and solid approach that could have a successful green branding as final outcome.

The green branding in literature

The green branding is a topic of the broader green marketing debate which could be found in the theoretical works and in company practices. Even the green branding has received limited academic attention, different themes could be found in the works of some authors such as Hartman et al. (2006), Heraud (2007), Yu-Shan Chen

(2010, 2012, 2013), Mc Bride Mintz (2011), Benoit-Moreau and Parguel (2011), Sarkar (2012, 2013), and Joseph Zammit (2013).

Heraud (2007) and Joseph Zammit (2013) write about the growing significance and need of the green brands and green branding as a result of the broad shifts in society. Joseph Zammit (2013) lists the increasing environmental consciousness, economic crisis, austerity measures, change in parenting values and educational approaches, rise of internet and social media as main trends that work for real green marketing solutions. All these and other factors have simultaneously changed the perception of “authority” and created cultures that have a sense of personal empowerment and judgment the standing credibility of the businesses which claim being green. These potential consumers can't be any more convinced by the brands of green products that are simply re-packaged and branded “green”. The customers become more informed and dedicated to “green values” and they change their purchase behavior accordingly. These customers will increasingly prefer to purchase from companies with a brand that is perceived as green (Sarkar, 2012). A significant part of the green branding is the convincing communication thinks Russo (2011). This part should be carefully integrated in the development process of the green brand story which intends to create an emotional bond with the customers. A key to this emotional bond is communicating the company's vision for social and environmental change, especially its own story and specific actions. Hartmann et al (2006) and Haedrick et al (2003) have written about the brand positioning as brand identity and value proposition. They emphasize the role of the marketing communication in the process of shaping distinct customer perceptions.

Benoit-Moreau and Parguel (2011) deal with the customer-based green brand equity which is “the differential effect that a green brand knowledge has on the consumer's response to the marketing of the brand”. This effect is measured through the cognitive antecedents of consumers' brand knowledge which is a composition of the brand

attention and the brand image. In its turn, the brand image is the result of all associations linked to the brand in customers' minds which show the meaning of the brand to consumers. They are characterized by the strength which qualifies the intensity of the connection between the associations and the brand, the favorability which measures the desirability of associations and the uniqueness which assesses the degree of specificity of the associations to the brand, that's it whether the associations are shared with the competitors or not.

The failure of green brands is also discussed in literature. As reasons of such event are advanced a superficial effort (Joseph Zammit, 2013) and especially the green washing and green fatigue (Mc Bride Mintz, 2011). The result of green washing which consists in the practice of misleading the customers is that the consumers feel more unclear about green product, green brand, green communication and their impact on the environment and the quality of life. The results of a survey on the consumer perception of green brands and company's sustainable practices performed by Landor Associates, Newsweek, and Penn Schoen Berland (Landor Associates, 2012; Cordeiro and Joon, 2013) spotlight a significant gap between the consumer green brand recognition and the company's actual green performance. They confirm the actual preoccupation due to the increasing concern over green washing. The survey reveals a mixed situation using four brand categories of unsung heroes- brands with strong green practices, but little public awareness, free passers- brands with limited green practices, but strong brand halos that drive their green reputation, losers- brands with limited green practices that are publicly recognized for these limitations and winners- brands with strong green practices that are publicly acknowledged. The four green brand segments reveals that the consumer perceptions of the company's greenness are often inconsistent with the corresponding company's sustainability practices causing the consumer confusion in the market place.

Under these difficult circumstances, the introduction of new ideas and practices is needed if the companies want to provoke green actions. The efforts for true brand greening must be consistent in what the companies do, educate consumers, and make an impact large enough to dissuade them from changing direction as Mc Bride Mintz (2011) and Rice (2010) suggest.

Successful green branding requirements and answers

The general background

The green branding aims at establishing a brand which can be easily identified and is clearly differentiated from the competition's brands. A successful green branding is the result of particular and accurate process which begins with the knowledge of the green brand categories and criteria that offer choices. Then, the main directions of action at strategic level are set up, with focus on green brand positioning. The operationalization of all strategic activities directs the efforts towards the outcome which is the result of how good the strategies are developed and implemented.

The green brands classification depends on how deep the green or ecological issues are integrated in every brand. S. Pflanz (2014) proposes three categories of green brands. In the first category may be found the brands which have the greening as core, while the second group includes those brands which have the greening integrated in their core. This means that the principles of greening are progressively integrated in the brands of second group. The third category includes the brands which have the green values as their guaranties. In this case, the ecology is not a prevailing issue of the brand management even the green benefits are emphasized and used.

The criteria for establishing a successful green brand are important because they show how the greening relates to consumers and competitors. As Iuliano (2014) and Pflanz (2014) argue the green branding calls for the integration of the criteria that will guide to success on the market in

the essence of the brand. A first criterion says that the essence of a green brand must be unique since it is the differentiation factor from the competitors. Then, a green brand has to be strong with a high value for consumers. A brand must also invoke an emotional response and this asks for the brand authenticity. At the same time, a green brand must be meaningful for the customers if the company wants to be a success. Any green brand must be authentic which means the brand can achieve the promises. Last but not least, a green brand means that the essence of brand is infused in every aspect of the company existence and activity.

The main directions: Green brand strategies

In order to build successful green branding the company needs to know the future directions of its ecological efforts which are integrated in strong, accurate strategies. Such a strategy should start with *ecological innovations* which can be strengthened by using the *green value co-creation* and supplemented with *accurate, clever eco-communication*.

The eco-innovation strategy becomes a compulsory requirement as a result of the recognition of greening as a corporate issue. As a start movement, it must be noticed that the green innovations are proactive and reactive because their origins are different (Yu-Shang Chen, Ching-Hsun Chang, Feng-Shan Wu, 2012). The internal origins like environmental leadership, environmental culture and environmental capability and external origins like environmental regulations, and the green investors and clients can generate reactive green innovations. But only the internal origins can facilitate proactive green innovations. No matter the origins, the eco-innovations may be technical, organizational or marketing innovations as long as they improve the “green competitiveness” of the company. All these types of eco-innovations have both direct and indirect benefits that are economic, a better functionality, comfort, flexibility, increased trust and reliability, brand value and reputation (Sarkar, 2013; OECD, Copenhagen, 2012).

In terms of marketing, all these benefits must enhance the green value proposition for customers. Enhancing the green value becomes the core of the green value proposition and this asks for a green marketing strategy based on eco-innovation which is to be found in the green branding as main tool to leverage the green market opportunities. The idea of green innovation changes as the environmental agenda changes. The focus of eco-innovation has shifted from the end of clear up technologies to cleaner production processes and cleaner products to the broader eco-innovation or clean-tech businesses (Sakar, 2012). The company's challenge becomes to satisfy the consumers' green demand through proper design, production, sales, marketing and recycling the products. This strategy aims at the creation of additional value for a brand and it is successfully used in the communication strategy for a green brand.

The co-creation of green value is the strategy which means that the consumers are interested in the process of the product development, sales and marketing so that the final products reflect their real-time preferences (Russo, 2011). By doing so an interaction is build and this works to forge an emotional link with the green brand by involving the customers directly and specifically. This relationship helps the consumers that they support a social or/and environmental, green cause and the branding strategy can also use this in its communication strategy.

The green communication strategy must starts by recognizing that the green brands are not easily purchased, the ecologist activists excepted. Therefore, a balanced communication mix could help to persuade and make loyal the customers who look for a fair ratio between quality and price. The green branding promotes the green, eco-consumerism therefore it must communicate the green, ecological claims. A green claim can be a statement or representation about the environmental impact of a company's brands and practices (Sarkar, 2012). The green claims may be made in any communication medium, including

packaging, labelling, package inserts, promotional and point-of-sales materials, product literature, radio and television as well as via digital or electronic net. The proper connection between the green brand and the consumers may be achieved only if the communication strategy has the dissemination of the truth as main objective. This is more important under the present circumstances when the exuberant and heterogeneous of so-called ecological, green information mislead the consumers which can't make a clear difference between the odd statements and the reliable arguments (Heraud, 2007). Therefore, the success of a green branding depends on how the green claims succeed to persuade the customers which are more and more often inundated with green arguments that are not true. At the same time, the green, ecological arguments must not be overestimated in the practice of promotion they must only inform the consumer otherwise they easily can become green-washing.

The focus: Green brand positioning

The active green branding starts by selecting a niche for the company's green product in the market place and continues by developing a green brand that addresses the customers in that niche market. Both phases are in the strategy of green brand positioning that is based on the interactions of all marketing tools with an accentuated role for marketing communication because of its relevance of shaping distinct perceptions, attitudes and actions. Promoting the green brand is building a specific brand perception and attitude and entails an active communication and differentiation of the brand from its competitors through its environmentally sound attributes (Hartmann et al, 2006; Haedrich et al, 2003). When a brand communicates about environmental involvement it reactivates hedonic and experiential benefits and reinforces the favorability of the brand environmental, green associations. The green customers may have favorable attitude when they perceive a congruency between the brand and the cause

they supported. Moreover, the strength of environmental associations exercises an important influence over the credibility of green brands. This perceived credibility of the green claims of a brand could consequently influence the consumers' decisions and loyalty (Benoit-Moreau, Parguel, 2011; Russo, 2011).

A company may use functional and emotional strategies for a green brand positioning. *The green brand positioning strategy based on functional attributes* aims at building brand associations by delivering information on environmentally sound product attributes. It should be based on relevant environmental advantages of the product compared to the competing conventional products or may refer to the production processes, product use or product elimination. For most products, the consumers would experience the functional benefits such as the improvement of environmental quality, only in the case of generalized environmentally sound consumer behavior. Therefore, the perceived consumer benefits may be not sufficient as a motivating factor for the brand purchase if the functional attributes does not deliver individual benefits as a result of the reduction of product's environmental impact. Moreover, the functional positioning brand strategy can be easily imitated, it assumes rational buyer decisions and it may reduce the flexibility of the brand differentiation (Hartmann et al, 2006).

The emotional green brand positioning strategy takes in consideration the reality that the emotions are a key to build an emotional bond to consumers. When the consumers believe they are making a difference on environmental and social criteria, this belief strengthens their commitments to the green brands (Russo, 2011). This emotional bond with the consumers could forge the type of loyalty that the product attributes cannot. The emotional brand positioning can use three conceptually different types of emotional green brands benefits (Hartmann et al, 2006). A first type is the feeling of well-being of environmentally conscious customers by contributing to the improvement of the common good environment. The auto-

expression benefits through the socially visible consumption of the green brands as the environmentally conscious consumers experience personal satisfaction by exhibiting their environmental consciousness to others is the second type of green benefits. The third category includes the nature-related benefits steaming from the sensations feeling normally experienced through the contact with the nature.

The outcome: Impact of green brand strategies on customers buying behavior

The strategic effort the companies make for establishing successful green brands is a complex and multidimensional one. It must include the entire value chain emphasizing the green benefits of ecological product and their realistic communication. Telling the truth about “green” is the foundation of any relationship between green brands and consumers. This means that the messages doesn’t overestimate the environmental advantages of a product or lie about the contribution to a sound environment and to the quality of life. The main strategic goal of the green brand strategies must be gaining more customers for ecological products by elaborating or changing their buying behavior.

The AIDA (Attention, Information, Decision, Action) classic model which explains the process of buying behavior can be used for elaborating particular appropriate behavior models for green products and brands. Hartmann et al (2006) propose some models as ELM and ARI which can explain how the green brand strategies are acting on consumer buying behavior with a focus on its attitude in the light of persuasion process paradigm. The elaboration likelihood model (ELM) is based on the central and peripheral modes of persuasion. According to this model, the attitude formation or change through the central route takes place under a high amount of cognitive elaboration. These are resulting from an individual’s diligent and rational analysis of information that is central to the brand. The ARI (Affect-Reason-

Involvement) explains this mechanism which also uses the central route. In the absence of the reduction of the cognitive consideration of information, the attitude formation occurs through the peripheral way. This means that the attitude formation is a result of the simple inference process or feelings associated with the brand. A brand can be associated with emotional contents through conditioning process in consequence of the exposure to emotional brand advertising. As Hartmann et al (2006) and Benoit-Moreau, Parguel, (2011) argue, in the case of green brands seems to prevail the cognitive persuasion strategies assuming the consumer's high involvement with regard of the green, ecological issues as a consequence of a growing environmental consciousness. The cognitive orientation of most green brand strategies is based on the significant influence of environmental knowledge and consciousness on consumers' environmental attitudes. Consequently, the most recommended is the use of rational persuasion strategies by supplying detailed information on environmental brand benefits capable of satisfying the consumer's information needs. However, the cognitive factors such as environmental know-how are not the only variables that consumer uses when preparing the buying decisions. This assumes that the green consumer's buying behavior implies emotional variables based on the affective relationship of the green brand with the consumer.

At a practical level, a fluid combination of cognitive and emotional factors is always used as basis for green consumer's buying behavior. The growing environmental consciousness works for sound buying decisions based on solid knowledge of the green issues, to a certain extent. At the same time, these rational variables are grouped together with emotional factors and this mix of variables is converted into a specific green buying behavior.

Conclusions

The main topic of this paper is to find an answer to “why” and “how” questions with regard to the successful green branding. With regard to “why” we consider the progressive changes for the benefit of greening as the strongest motive which pushes for companies to find better and faster green solutions the market and society expect. The companies must quickly realize that they better become green now or risk serious losses until losing their businesses. In order to avoid such threats, many new companies are starting out as green brands and older companies want to re-brand their products to be more eco-friendly. These behaviors become quasi mandatory due to the pressures the growing influence of the green products have on consumer`s decision-making. The buying behavior of the green brands seems to be heavily influenced by the environmental knowledge and consciousness of the consumers. The emerging green consumer`s purchase behavior suggests that the demand for green or greener brands will increase over time. This trend will be influenced by the availability of new ecological products choices and the information that enable the consumers to make informed purchase decisions. At the same time, the increased favorable attitude for green brands is counter-balanced by an apparent apathy of the consumers resulting from “the green noise” which confuses the consumers instead of enlighten them.

”How” the companies should act as green marketers for capitalizing on the green opportunities and avoiding the threats? If they honestly want their green brands become successful by motivating more customers to make different choices the companies need new better green branding strategies. These new strategies must capitalize on the increasing preference of the consumers to purchase from companies with a brand that are perceived as green. First of all, *the companies must do the talking about their green brands*. This means that all ecological, green claims must be found in the very essence of the company`s brand not

only when it communicates. The companies need to visibly demonstrate how the green brands make a real difference to people's lives through their environmental and quality of life benefits. This becomes more important as the consumers hold the green brands to a higher standard than they do to themselves. Therefore, it should not be surprising that the consumers tend to be less forgiving of a green brand's misstep than their own. They expect the green brands to deliver on promised environmental benefits, that's why a green brand must fulfill everything it promises. In order to do that, every green brand must take at least the following lessons. From the very beginning it must be clear about what a green promise is and isn't. That means the green brand should set clear expectations about so that the consumers know what to expect and are not free to interpret the perceived inconsistencies in their own way. Then, a green brand should fulfill its promise or modify the promise. At the same time, it should know how the consumers perceive a green brand. It doesn't matter what a green brand says about itself but how the consumers perceive it. As such, the companies should stay abreast of how the consumers perceive their green brands by soliciting feedback during the customers' interactions or monitoring online conversations in social media. The green perceived quality would positively affect the green satisfaction and the green trust. Hence, investing resources in the increase of the green quality is useful to enhance the green satisfaction and the green trust. We suggest that companies must focus on eco-innovation, green value co-creation and honest, clever green communication as main fields of action. The eco-innovation recognizes the greening as a corporate issue, the green value co-creation means that the consumers participate in the whole process of the green brand development and sale and the honest, clever communication has a special role in persuading and making loyal more customers by building credibility for the brand not distrust it by using green-washing techniques. Secondly, *establishing strong relationships with*

the consumers is the foundation of any successful brand strategy. The good, lasting relationships work for consumer to take immediate action in the green brands favor. The environmental campaigns which are using green brands must be designed to promote positive behavioral action. Every green brand should think about what need the green consumers to do for supporting its environmental efforts and then asks for the desired response. Third, if a brand aims at inspiring the most positive attitude and behavior *it has to simplify and not over-communicate or lie due to the inherently complexity of green issues*. The brands should transform the complex themes to simple solutions that potential customers can easily relate to and understand. They must permanently taking into account that only a honest communication of green, ecological claims can create a proper connection and persuade the consumer to take action. Fourth, *the companies must always be positive*. The green brands should make the consumers feeling they are empowered to buy green. Moreover, the brands which communicate creative and lighthearted approaches engage many more customers to take green action. Fifthly, *the green brands must be better marketed*. The successful green brand strategies have to focus on the most important issues for the product and the customer. The customers ask particularly for green brands with unique quality and strong environmental impact.

Notes

(1) *The terms green, ecological, eco are used as having the same meaning*

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