
The Green Marketing Focus Changing: From Ecological to Sustainable Marketing (II)

Victor Danciu

CHAPTER 3

Strategies of Green Marketing

3.1. Green Consciousness and Behavior as Preconditions for Green Marketing Strategy

Green consciousness. Green consciousness could be understood as a certain sentiment, an image, an attitude, a way of action and a tendency of a particularly behavior that gives priority to environment protection, society welfare and economic performance. Green consciousness is a key variable of green behavior that should be placed inside the system of green values. These values must be understood and assimilated by both consumers and companies. Consumers have green consciousness when they are informed, know the results of their green behavior and change their consumption behavior. The permanent increase of consumers' number with green consciousness and their choice for green solutions lead to the change in preferences towards green products and services.

Increased green challenges and exigencies generate dynamic changes of the society's value system. These changes urge the companies to have economic performances by complying with values that are attached to environment and life quality protection, society welfare and resource saving. Companies cannot work under these circumstances if they don't have green consciousness. Green consciousness makes easier for the companies to be informed and understand green challenges and exigencies and specially to find green solutions for satisfying them. As companies give green marketing answers to society's challenges and exigencies they are in the position to have green behavior. Green culture represents both condition and a support for the success of green company.

Green culture as support of green consciousness and behavior. To fully respond to green challenges, companies should undergo significant cultural change

and transformation. Companies should develop green and more socially responsible organizational culture. Green organizational culture is the culture where organization's members hold shared assumptions and beliefs about the importance of balancing economic efficiency, social equity and environment accountability. This organizational culture looks for a long-term green performance in accordance with environment protection, social equity and economic performance. Corporate green culture shows environmental, social and economic responsibility in company's mission emphasizing the value and standards that can reflect the ethical behavior and commitment to environmental and life style protection and social welfare (Hsu-Feng Hua, 2015, p.462). Corporate green orientation should work in a culture based on green values. Companies cannot be green by only reducing pollution or producing green products they should also think green and they will be green (Kucukoglu and Pinar, 2015, p.81). Developing organizational green culture means a permanent support for the evaluation of green organizational consciousness. Developing green organizational consciousness means also shaping own abilities and getting new ones at the same time with opening towards influences the various social "actors" on the market.

Green business consciousness has a significant role in corporate decisions, marketing decisions included and guides and has a strong impact on green marketing strategy.

3.2. Coordinates of Green Marketing Strategy

The marketing strategy indicates how business makes use of its real and potential strengths to integrate itself with environmental circumstances and change them in accordance with the business goals. The company can develop green marketing strategies when the business encounters real environmental issues. A green marketing strategy is different from a conventional one since it has more to do with being proactive and value based, long-term oriented, based on an integrative approach and has the lives of human beings as focus of all green initiatives (Aresculatne and Yazdanifard, 2014, p.132). The proactive approach of green marketing strategy is aimed at gaining competitive advantage. To reap advantage a green marketing strategy must address consumers first strategically positioning the value proposition in their minds. The value proposition depends on the balanced character and quality of green marketing mix. Green marketing strategy brings about a qualitative change in relationship between customers and business, too. When using a green strategy, the functional as well as emotional benefits of a product will have to be highlighted since most green concerns involve spiritual needs of the people.

Green marketing strategy should follow the 4C concept which means Competency, Credibility, Commitment and Cooperation (Danciu, 2006, p.127). Green marketing strategies should focus on solving issues of environment protection, quality of life and resource savings. These strategies are credible as far as they succeed and outcome of business general philosophy and influence. Green marketing strategies are successful only if they mean a permanent strong commitment in finding better green alternatives to classic solutions.

Successful green marketing solutions bring some *benefits for business, environment, and consumers* that are pointed out by Kinoti (2011, p. 267) and Aresculatne and Yazdanifard (2014, pp.134-135).

First, the green marketing strategies *bring a reduction in cost of production*. Green production process would result in cutting down costs in terms of less waste, less use of raw materials and saving of energy costs. A significant reduction in cost will raise the profits of a business.

Second, the green marketing strategies *contribute to the brand loyalty*. Green products are held in a different perspective owning their contribution to the environment and life quality. There develops a spiritual relationship between green products and customers. Increased brand loyalty would make a product less price sensitive so that even if the product carries a premium still customers would tend to buy them.

Third, the green marketing strategies *foster a positive image about brand and the business*. Being green may increase customer attraction and the company may gain recognition among the population at large. Green product businesses would be able to gain acceptance from regulators and public so that many promotional activities would bear fruit without much effort since the public would respond them enthusiastically. The positioning of a product in the mind would occupy a strategic position so that most green products would become top of the mind products as they can be easily recalled by customers.

Fourth, producing and selling strategies of green products *would result in a pleasant environment with reduction in chaotic business activities*. Since the process of evolving a green marketing involves a holistic approach, aligning all the functions of the business strategic congruence can be attained. Employee engagement would increase and there would be a mutual understanding between different stakeholders of a business.

Fifth, the green marketing strategies *would result in a win-win situation for business stakeholders* as in the process there would be pooling together of each other's skills, capabilities and resources which are transferred.

Sixth, the customer satisfaction increases since customers would be able to get high quality products at reasonable prices. This would increase the overall welfare of an economy and a sustainable development would result from green marketing strategic initiatives.

3.3. Analysis of Green Marketing Strategies for Consumer Satisfaction

Meeting consumer demands is the reason of being of the green marketing. This time, the consumers have demands which are the reflection of their green beliefs and propensity. Therefore, the strategies for the satisfaction of green consumers must be developed and used considering their needs and wants.

The strategies that could meet these requirements are suggested by Das, Dash and Badhy (2012, p.84) and they are *consumer value positioning strategy, calibration consumer knowledge strategy and credibility of product claims strategy*.

**Consumer value positioning* is the strategy that allows green positioning by complying with the values the consumers have and ask for. First, to carry out this positioning, a business must design environmentally friendly products. The green consumers desired value of environmental friendly, healthy and sustainable products should be promoted and deliver. These products should target relevant consumer market segments by underlying their effects such as health benefits among health-conscious consumers. The main- stream appeal must be broadening by bundling or adding consumer desired value into environmentally friendly, healthy or sustainable products such as fixed prices for subscribers of renewable energy.

**Calibration of consumer knowledge strategy* is related to educating consumers. Consumers may be educated with marketing messages that connect environmental, healthy and sustainable attributes of green products with desired consumer's value e.g. "pesticide free product is healthier", "energy-efficiency save money" or "solar power is convenient". Moreover, environmentally healthy, healthy or sustainable attributes of a green product could be named as "solutions" for green consumer needs, e.g. "rechargeable batteries offer longer performance". Educational efforts could be consolidated by creating educational messages for social networks such as Internet, Face-book, and Twitter. The sites should have information about environment, health product's desired consumer value. Tide coldwater interactive website allows visitors to calculate their likely annual savings based on their laundry habits, utility source and zip code location.

To succeed, such efforts need a calibration of consumer knowledge. Calibration of consumer's knowledge is the agreement between objective and subjective assessments of the validity of information particularly the information used in

decision making (Alba and Hutchinson, 2000, p.123). In other words, calibration refers to the match between confidence and accuracy. Calibration is important in green consumer decision making because it allows consumers to cope with incomplete and error-full information. Moreover, to better understand calibration of consumer knowledge, one must distinguish between accuracy, confidence and calibration. Accuracy is dependent on one's ability and expertise. Confidence is also based on expertise, but other factors, experience included, may influence the confidence while leaving accuracy unchanged. Thus, accuracy reflects what consumer knows, confidence reflects what consumer thinks to know, and calibration reflects their correspondence. Calibration is highest when the over or under confidence scores for all problems are close to zero.

**Credibility of product claims* is the strategy of convincing the green consumer. Green claims are facing natural consumer skepticism. For consumers to have confidence and trust in green claims, the companies should follow the 3Cs which are Clarity, Credibility, and Comparability (Yates, 2009, pp.4-5).

~*Clarity*. As a minimum, the green consumers are looking for claims that are clear and easy to understand. There is the demand for information and green issues that is direct and "to the point". Ambiguous and overly technical terms are not widely understanding or liked by the consumers.

~*Credibility*. Consumers want realistic, accessible and verifiable claims. They deploy a series of "perceptual filters" to make rapid judgments, based on intuitive and in-built rules of thumb. These perceptual filters can be grouped in four categories:

~Specific element adds. These elements may be brought by third party endorsements from well known and respected organizations which are highly valued by green consumers.

~Perceptions of brand and brand fit with the environment. Green consumers are more likely to accept and believe the claim that "makes sense" i.e. a brand with which they have positive associations and/or believe is consistent with environmental responsibility, being more suspicious of other brands. The "brand baggage" affects their assessment of the specific green claims.

~Ingrained habits and beliefs. Consumers draw upon their own experiences of green products to judge the credibility of a claim and expectations of performance are used as a proxy.

~The wider market and the social context. Consumers have varying levels of confidence in how strictly green claims are regulated and this impact on how credible they perceive claims to be.

~*Comparability* emerges as one of consumers' most important demands. Consumers want simple, meaningful and like-for-like comparisons. The general proliferation of labeling schemes and comparisons that are not well understood offer little or even undermine the relevance and usefulness of a green claim. In addition, as the number of products and claims expands, the sheer amount of information may drown out the ability of consumers to make like-to-like comparisons and ceases to provide them with any useful means of differentiation.

As a conclusion, Clarity + Credibility + Comparability = Consumer confidence. Green claims of products and services are ahead in gaining consumers' confidence if they satisfy three objectives which are improved environmental quality, appropriate cost and performance. Businesses could convince the green consumers by employing environment, health and sustainability product and consumer's benefits claims that are specific, meaningful, unpretentious and qualified, i.e. compared with comparable alternatives or likely usage scenarios. Another way of convincing consumer is to procure product endorsements or eco-certifications from trustworthy third parties and educate consumers about the meaning behind those endorsements and eco-certifications encouraging consumer evangelism via consumers' social and internet communication networks with compelling, interesting and/or entertaining information about environmental, healthy, sustainable product. For example, Tide's "coldwater challenge" website includes a map of US, so visitors could track and watch their personal influence spread when friends request a free sample (Das, Dash, Badhy, 2012, p.84).

3.4. Analysis of Green Marketing Strategies according to Business Focus

Businesses which intend their activity to become green follow different strategic ways to succeed. The characteristic strategies businesses are using that focus on rhythm and process of becoming green are transitional strategy and transformational strategy as Borland et al (2016, pp.293-307) suggest.

**Transitional strategy* has the introduction of the 5R activities namely Reduce, Reuse, Repair, Recycle and Regulate as main characteristic (Borland et al, 2016, pp.298-299). This positive approach encourages reductions in the use of precious commodities such as metals, fuels, electricity, gas and it also considers what should be done with waste materials such as recycling them. However, these assumptions do not fundamentally change how businesses make products or how consumers dispose of them.

Businesses which use transitional strategies still operate within a close business system with very little interaction, interrelationships or responsibility towards

society or natural ecosystems. The products are still made conventionally, with little consideration for raw materials, the environment where they come from, the disposal process or the environment to which they go. This eco-efficiency process implies that companies are trying to be less bad than others operating according to the traditional mode. Businesses try to reduce their negative impact on the environment rather than eliminating it. Transitional strategies slow down the rate of damage and destruction of the environment, other species, soil, water and atmosphere and thus to homes, leisure places, work places and the quality of life.

The 5R strategies with their focus on limiting damages reflect an argument about whether it is worthwhile, from a profit perspective, to adopt a green strategy.

**Transformational strategy* embraces environmental sustainability, working within the constraint of natural ecosystems. The assumption is that green marketing strategy should seek to eliminate waste and toxic chemicals from ever being created or deposited in the environment (Borland et al, 2016, pp.299-300). Companies seek to achieve eco-effectiveness by continually cycling only safe biomaterials in the ecological system while keeping anything that nature does not recognize and cannot breakdown out of the ecological system and circulating them solely on the industrial system. To achieve eco-effectiveness, a different set of 5R activities thus may be required and used and this is Rethink, Reinvent, Redesign, Redirect and Recover. The outcome of using the new set of 5R should be a well transformed pattern of greening the business. The aim of this new pattern is to open the business and thereby integrate, emulate and mimic natural cycles which would allow materials and nutrients to pass through eco-systems. Such cycles are cradle-to-cradle and closed-loop. The assumption of a transformational strategy is that resources are finite and limited so, to become environmental and sustainability effective, a business must use the resources again and again without downgrading them, discarding them or producing toxic compounds that nature cannot process. In addition, a successful transformational strategy requires the company to adopt a sustainability vision. The businesses must engage creatively with physical and human ecosystems to sustain competitive advantages for the future and achieve environmental sustainability.

The transformational strategy brings certain commercial benefits (Borland et al, 2016, p.300). The increasing costs of purchasing virgin raw materials worldwide make it more attractive for companies to find a position in which they do not need raw materials or at least need very limited quantities. In addition, such companies reduce their costs of disposal of waste materials and particularly toxic waste materials which represent an increasing expense for more companies. Another benefit stems from the positive effects on corporate image and reputation. With a reputational strategy, companies can claim genuine sustainability status for their

products rather than green washing. Finally, companies can adjust their business model from a model for selling products to one for renting products and for such service-based businesses product return at the end of its life is an integral step.

3.5. Analysis of Green Marketing Competitive Strategies

Companies that gain and keep a competitive advantage could use competitive strategies. The green competitive advantage consists in company's capability to create and deliver a higher green value to their customers. Companies must be able to keep the green competitive advantage in the long-run. That means it should have a strategic character. Green strategies based on competitive advantage are competitive strategies. Green competitive strategy must answer how potential advantages and successful positions would be acquired by the companies that work for environment and life quality protection, society welfare and resource saving using competitive advantage. When using the source of competitive advantage as a criterion for company's green competitive strategies the following categories emerge (Danciu, 2006, pp. 106-116):

- * Green generic competitive strategies.
- * Green behavior competitive strategies.
- * Green timing competitive strategies.

3.5.1. Green Generic Competitive Strategies

The group of competitive strategies uses general competitive advantages such as low cost and differentiation. By mixing these two categories of green competitive advantages, green cost leadership strategy, green differentiation strategy and green focus competitive strategy are generated.

A. Green cost leadership strategy can be used by the companies that have lower costs as their green competitors. The lower cost gives lower price of company's green product or service. Low cost strategy is suitable only in selected circumstances since green products and services have generally higher costs and prices. Green cost leadership strategy is promising when has as focus integrally or partially green products for mass markets. This competitive strategy allows the company to have "green efficiency" when using the cumulated green experience that contributes to reduce waste, raw materials and energy consumption. In its turn, the market of high value products needs high research and development investments and has high exigencies. These requirements call for new technical and marketing adjustments that meet green purchasing behavior and short life cycles of green products. The

effects are found in higher costs and prices that make difficult for companies to meet green exigencies. Therefore, green companies use a competitive strategy that allows best ratio between price and cost advantages of green product or service as against non-green product or service. This price/green benefits ratio can be obtained when all or some expensive and harmful product parts are replaced with others cheaper and eco-friendly. The best solution to this strategic issue is green product innovation but new green products have not cost advantages. Therefore, the companies must evaluate the risks should they engage in cost leadership strategy and do so only if green costs can be reduced.

B. Green differentiation strategy aims at meeting the demands and expectations of green consumers better than competition by offering them green products or services. The premises of meeting green customers' need and wants better than competition consist in using green technology, products, brands, services. Green differentiation strategy brings benefits when competitive advantages are kept and used in the long run and reduces customers' price sensitivity. There are three green differentiation strategies based on how each meets the exigencies e.g. pseudo-green differentiation strategy, short differentiation strategy and real/true differentiation strategy (Meffert, 1994, p.350).

~*Pseudo-green differentiation strategy* highlights green arguments and/or statistics when advertising or packaging, but not the product itself.

~*Short differentiation strategy* focuses not on green relevant characteristics of the product but considers their benefits for environment, health, society, distribution, waste, resource saving.

~*Real differentiation strategy* means entire green products and services from the point of view of technology, production process, components, design and package. This strategy could bring long-term benefits because of effective and well-grounded differentiation. To have genuine long-term benefits the real differentiation strategy should rely on proper analysis of the whole life cycle of the green product.

C. Green focus strategy considers a limited competitive area inside the market. The focus on a market niche is cost reduction or product differentiation. Therefore, this strategy aims at gaining the competitive advantage because of low cost or differentiation inside the market niche. Its success depends on the reaction capacity of the company toward products and market dynamics. Companies that follow green focus strategy must find the market focus that meets their capabilities, resources and competencies. The green focus strategy is suitable when company can gain the expected market share.

3.5.2. Green Behavior Competitive Strategies

Green companies should have a strategic competitive behavior that makes easier to maintain their competitive advantage.

A. Companies with a proactive behavior follows a *green offensive strategy*. They foresee the issues about environment and quality of life protection, social welfare and make them part of company's strategic green marketing plan. Green offensive strategy indicates how technology, production processes, green products and marketing mixes take shape, to allow the company having green solutions.

B. *The green defensive strategy* is the long-term reaction of the company to external green stimuli. That means the company has green marketing solutions as response to green regulations, consumers' pressures or competitors' green actions.

These two green behavior strategies could take the form of different strategic alternatives depending on the company's strategic orientation and green behavior as follows (Meffert, 1994, p.347):

**The green innovation strategy* is followed by companies particularly acting for environment and quality of life protection, social welfare and resource saving by finding appropriate marketing solutions. Innovative companies look for and find green marketing solutions before the competitors and try to overtake them thanks to their new green solutions.

**The green active strategy* which has an inside focus and is followed by companies that think the internal solutions are the condition for successful strategic behavior. These businesses disseminate their green marketing solutions to external environment-consumers, public, authorities.

**The green selective strategy* means the company is mostly resistant to green challenges. When the company appreciates environment and quality of life protection, social welfare or resource saving are important, it takes green marketing actions but thinks the management is responsible not external stimuli.

3.5.3. Green Timing Strategies

Green timing strategy aims at identifying the proper moment when company must become green, before or after its main competitors. When company decides to become green before the competitors it uses *green pioneer strategy* and when it follows the competitors *the green follower strategy* is used.

The success of green timing strategic decision-making depends on finding the best "strategic window" which is the best period of becoming green. This period is that of closing the competitive gap and meeting the market green requirements. The

benefits of green pioneer strategy on public justify its legitimacy. Green pioneer strategy is not convincing enough for easier and more rapidly persuade all customers. Green innovative products are first accepted by innovators group of customers. If the green pioneer company doesn't succeed to attract also other groups of green customers, the followers take the advantage. These companies pay attention to pioneers' green initiatives and solutions, learn from their mistakes and reduce the cost of market entry and so they get a competitive advantage towards slower innovative companies.

3.6. Analysis of Push-Pull Green Marketing Strategies

The fundamental goal of green marketing e.g. satisfying the specific needs and wants of green consumer may be achieved either by taking the products to the customers or by getting the customers to the products, brands or business. The business could use push marketing strategies or pull marketing strategies (B. Kelly, innovationexcellence.com/blog/2012/11/06/push-pull-marketing-for-innovations) which are appropriate for green marketing too. Since green marketing aims at influencing the customers in the first place this could be done with the help of push green marketing strategies.

**The push green marketing strategy* starts with the selection of product and service, identifies the features or benefits that potential customers will find most compelling and then utilizes targeting and segmentation to push carefully crafted marketing messages via a variety of advertising, sales and social media channels to the most likely potential customers.

**The pull green marketing strategy* begins with extensive research into what makes a person evolve from someone who is disinterested and unaware of a green solution area, to seeing how it might fit into their personal or professional lives and make it better. This usually involves the creation of a content that will raise awareness, interest, inspiration, and understanding of the whole green solution area and the need for fit, not just the feature and benefits of one company's green product or service. The pull green marketing strategy has as driving element the green consciousness of customers to whom the business offers mixes that have solved environmental, quality of life and sustainability issues.

A comparative analysis allows highlighting the main characteristics of push and pull green marketing strategies. The push green marketing strategy is suitable for companies that are interested in sustained revenue and profitability growth since it can bring immediate payback. The pull green marketing strategy helps grow new potential customers or accelerates their purchase readiness timeline so is equally important in long-run. This strategy attempts to create brand loyalty and keep customers coming

back, whereas the push strategy is more concerned with short-term objectives. Smart companies need to invest in both push and pull green marketing strategies to keep their sales pipeline full both for now and for the future. The case of successfully using the push-pull green marketing strategies by plant grower is in Box 3.1.

Box 3.1. Push-pull Strategies in the Marketing Practice of a Plant Grower

The push marketing strategy involves grower's marketing activities – primary sales force and trade promotion- directed at the marketing channels intermediaries such as brokers, wholesalers, re-wholesalers and other growers. The goal is to induce these intermediaries to order and carry the plants and promote them and make them available to end users or customers. The push strategy is especially appropriate where there the brand loyalty is low as well as the experience in environmental horticulture; purchase, selection or choice is based upon availability in the retail outlet as in the case of plants; the product is an impulse item such as especially floriculture and herbaceous perennials; the product benefits are well understood. Nursery and greenhouse plant production can easily be associated with a push strategy. When successfully, push strategy results in a wider range of availability, fewer stock-outs, greater merchandising activity, and a greater marketing effort than would have been achieved with little or no push communication.

The pull marketing strategy involves marketing activities - primarily advertising and customer promotion - directed at the end users, the customers who buy the plant materials. The purpose of the pull strategy is to induce them to ask the marketing channel participants - wholesalers and retailers - for the plant, perhaps a new plant to the marketing scene and thus induce the intermediaries to order the plants from the grower/producer. The pull strategy is especially appropriate when there is high brand loyalty or so perceived and high involvement in the category; people perceive differences between brands and people choose the brand before they go to the retail store. When the pull strategy is successful, customers will seek out certain products or services and by the interest they create, pull the product through the marketing channel. A pull strategy requires marketers to carry certain plants and products or brands to attract and satisfy target customers.

Source: Forrest E. Stegelin, "Marketing-Demand Push or Demand Pull or Both? The Need of Creating New Plant Awareness", Center of Applied Nursery Research, The University of Georgia, www.canr.org/01019.pdf.

References

- Alba, W. Joseph; Hutchinson, J. Wesley (2000), "Knowledge Calibration: What Consumers Know and What They Think They Know", *Journal of Consumer Research, Inc.*, Vol. 27, September, pp. 123-156
- Aresculatne, Dinuk; Yazdanifard, Rashid (2014), "How Green Marketing Can Create a Sustainable Competitive Advantage for a Business", *International Business Research*, Vol. 7, No. 1, Canadian Center of Science and Education, December 23, pp. 130-137
- Borland, Helen; Ambrosini, Veronique; Lindgreen, Adam; Vanhamme, Joelle (2016), "Building Theory at the Intersection of Ecological Sustainability and Strategic Management", *Journal of Business Ethics*, 135:293-307, Springer Science + Business Media
- Danciu, Victor (2006), "Marketing ecologic. Etica verde a producției și consumului", Editura Economica Bucuresti, pp. 63-69
- Das, M.; Dash, M. B.; Badhy, C. P. (2012), "Green Marketing Strategies for Sustainable Business Growth", *Journal of Business Management and Social Sciences Research*, vol.1, No. 1, October, pp. 82-87
- Hua, Hsu-Feng (2015), "The Causal Model of Green Marketing: Strategy from View of Stakeholders. Theory and Marketing Exchange", *Journal of Business and Economics*, Vol. 6, No. 3, pp. 460-467
- Kelley, Braden (2012), "Push or Pull Marketing for Innovations?", innovateexcellence.com/blog/2012/11/06/pull-push-marketing-for-innovations
- Kinoti Wanjiru, Mary (2011), "Green Marketing Intervention Strategies and Sustainable Development: A Conceptual Paper", *International Journal of Business and Social Science*, Vol. 2, No. 2, Special Issue-23 December
- Kucukoglu, Tepe Mubeyyen; Pinar, R. Ibrahim (2015), "Go Green at Work: Environmental Organizational Culture", *Modern Environmental Science and Engineering*, Vol. 1, No. 2, July, pp. 79-88
- Rather, Ahmad Rouf (2017), "Assessing the Prospects of Green Marketing in India", *International Journal of Research, Eupedia Publications*, 24 July
- Stegelin, E. Forrest, "Marketing - Demand Push or Demand-Pull or Both? The Need for Creating New Plant Awareness", Center of Applied Nursery Research, The University of Georgia, www.canr.org/01019.pdf
- Yates, Lucy (2009), "Green expectations. Consumer's understanding of green claims in advertising", *Consumer Focus*, June

CHAPTER 4

Green Marketing Mix

4.1. The Concept and Content of Green Marketing Policy

The green conscious businesses develop and use marketing policies which meet environment protection, life quality and sustainable development. Green marketing policy describes the green vision of business on its marketing activity. This vision shows how green long-term objectives and principles are classified and selected. The objectives and principles of the green marketing policy are related and placed in a concrete form in the green marketing mix. The green marketing mix gives the needed instruments and resources and their appropriate dosage to satisfy the green consumers. Marketing mix consists in choosing the nature and number of green marketing variables that will be utilized for customer satisfaction in a balanced manner for best outcomes as result of satisfying green customers' needs and wants. The conventional marketing mix has the structure of 4P, i.e. Product, Price, Place and Promotion. The need of an appropriate marketing mix is the same when using green marketing. The green marketing mix is the creative utilization of green 4P in which basic principles of green marketing have been observed (Sudhalakshmi and Chinandorai, 2014, p.110). The 4Ps structure of the green marketing mix is widely embraced in green marketing literature. Authors such as Diglel and Yazdanifard (2014, pp.13-14), Suraya and Vijaya Banu (2014, pp.5-6), Aresculatne and Yazdanifard (2014, p.133) and Bilal M. Eneizan et al (2015, p.822) are promoters of 4Ps green marketing mix. Brahim (2014, p.187) suggests that an 8Ps structure of green marketing mix is more suitable for green marketing proposing public, partnership, policy and purse strings as additional component along with the existing 4Ps. These approaches are closer to conventional marketing, no matter the number of Ps. The 4Cs structure of the green marketing mix is more modern and appropriate to the green marketing specific.

The 4Ps structure becomes a 4Cs structure of green marketing mix as follows:

The product is converted into **Customer solutions**, that means assuming the best solutions for green customers' needs and wants.

The place is converted into **Convenience**, that refers to the availability of the distribution solutions for green customers.

The promotion is converted into **Communication**, meaning more wide, flexible and two-way relationships.

The price is converted into **Cost** which is the cost incurred to the green customer.

Green customer solutions. Green marketing combinations should create many different values and solutions for customers. These values and solutions are customer satisfaction, dual focus on both environment and social issues of product, life-cycle orientation, significant and continuous improvements of products and eco-friendly and competing offers.

Green convenience means that green consumers require ease when purchasing a product. This is a key value nowadays namely the product or service is widely available or easy accessible.

Green communication is a key element of the green marketing mix. Good communication between seller and buyer makes consumers aware of green solutions that the company provides and develops. In this way a company can change their customers' life-styles towards more green approach and meet their needs. Effective communication about the company's green issues can also create firmer relationships and occur in brand loyalty as those messages inform and educate the consumers. Customers call for a two-way relationship which is right and provides them with good knowledge of the green products.

Green customer cost includes the costs of usual buying decision also the non-financial transactions like time and effort spend during the buying process.

The fundamental quality of green marketing should be responsibility. The responsible marketing relies on principles of environment preservation, social equity, sustainable development, and economic growth. Drawing up a responsible green marketing mix which allows the achievement of marketing and environmental sustainable development objectives means to (Benaceur, 2016, p. 53):

- *design and develop green products which contain environmental, social and economic responsibility as best green customer solution;
- * choose a responsible communication policy which makes effective the best communication between seller and green customers;
- *choose the most responsible distribution policy which secures the best convenience for green customers;
- * fix the fair price which attracts the green customer, without unfavorable affecting the seller.

Such a marketing mix is honest and transparent, has respect for the environment and life quality, releases useful messages to customers and appeals more individual consciousness as citizen and consumer.

4.2. Analysis of Green Customer Solutions

4.2.1. *The Concept of Green Product*

The green customers wait to find the best answers to their expectations mainly in green products. A product is green when the process of production is eco-friendly and less damaging for the environment (Aresculatne and Yazdanifard, 2014, p.133; Bilal Mohammad Eneizan et al, 2015, p. 822). This approach covers only partially the idea of green solution. Pap et al (2012, p.133) propose a green product concept which includes much more ideas. According to these authors a green product is the product that meets three requirements: technical features, price acceptability and compatibility with environment protection. In other words, the green product satisfies the consumers' needs and wants including environment protection in a way that the product, its usage and the waste do not cause pollution, or environmental pollution is minimal. The green product is the product that uses less resource in the fabrication process. This way, the green product becomes a sustainable one, balancing technical features, price, compatibility with environment and resource saving.

To have products which fulfill all requirements and become green solutions, the businesses may choose to use green product design techniques which drive changes in the manufacturing processes. The challenge is to create new environmentally friendly and sustainable products from the outset rather than adopting "end-of-pipe" solutions for existing products. These products should call for the extraction of raw materials in a manner to preserve natural resources, minimize the environmental pollution and to increase conservation of scarce resources. Companies must provide product designers with market driven trends and customer requests for green product attributes such as energy or raw material saving, organic, green chemicals, local sourcing, eco-friendly package. Product improvements necessarily involve considerable sunk in costs, but they are worth the efforts since changes in the product would bring about a turnaround in sales. The technique of reverse logistics and even the use of the product itself would considerably help to preserve the environment.

Characteristics of green products. The green product can fulfill all environmental, social and economic claims if it has numerous characteristics that are different according to their nature. These characteristics can be included in two categories as Pap et al (2012, pp.133-134) and Sudhalakshmi & Chinandorai (2014, p.110) propose.

Green product characteristics related to social and environmental effects give product's effects during its usage and influence the destiny of the product after usage. The improvement of environmental performance of a product after usage can be

achieved through a modular design approach, quality post product services or product collecting systems after its usage.

Green product characteristics related to production process are the results of policies and practices of the producers e.g. fair-trade products, organic products, recycled paper or cruelty-free cosmetics. The product durability has a growing importance due to its significant environmental, social and economic performances during its usage. Every product can differently influence the environmental, social and economic issues but changes in the product itself and its production process don't necessarily have the same influence on different issues. Companies that decide to implement green marketing through all product life cycle must consider issues related to supply and processing of raw materials, production and distribution packaging and product usage issues related to the product after its usage and disposal. These companies have green products with certain benefits such as those in Box 4.1.

There are wide varieties of products that have environmental, social and economic effects. Diglel and Yazdanifard (2014, p. 11) and Sarkar (2012, p.125) enumerate the following groups of green products: products made from recycled materials; products that can be recycled or reused; efficient products which save water, energy, gasoline, save money and reduce environmental impact; products with environmentally responsible packaging; products with green labels; organic products which offer the promise for quality; certified products which meet or exceed environmentally responsible criteria. The above categories of green products underline the green characteristics as they are: efficient as they use lesser raw materials, energy, water; lasting as they have a longer life cycle; the cradle-to-cradle concept of life cycle shows a green product doesn't die. By recycling it rises again throughout the new product; healthy as result of their constituent parts; locally manufactured, helping the economic development of the area.

Box 4.1. Eco-friendly products for daily life

1. *LED bulbs.* LED bulbs can save significant amount of energy and carbon emissions over incandescent and fluorescent lamps.
2. *Rechargeable batteries.* As batteries remain complicated to recycle and contain dangerous metals such as lead, rechargeable batteries are better fit for environment preservation. They will cost a bit more but in the long-run they will protect the environment while saving some cash.
3. *House cleaners.* Products found in supermarkets to clean the house are full of environmentally harmful chemical components. They can be easily replaced by white vinegar, baking soda tea tree oil and water.

4. *Cloth or cotton shopping bags.* They are fabricated from recycled materials and are reusable.
5. *Cloth napkins.* They may be fabricated from reusable materials, are reusable and easily washed.
6. *Eco-friendly kettle.* The eco-friendly kettle contains a special compartment in which the water is stored when you fill it in. Then, you must release the button to transfer your desired amount of water in the second compartment which will be the only one to boil the water. This will prevent energy to be wasted by boiling more water than you need.
7. *Biodegradable pots.* These square containers are great for small fruit, bare-root roses, filled -dug plants and broad leaf evergreens. Containers are fiber molded, meaning they are made of recycled material, biodegradable, and usually decompose in about a year's time.
8. *Solar candles.* Versatile and decorative these solar-powered candle lantern designed lights are great for any ambient accent lighting. The photocell sensor automatically turns light on at dusk and off at daybreak.
9. *Eco-friendly umbrella.* The eco-umbrella is just an umbrella skeleton allowing whatever you must put on top and cover yourself. In addition to being green, this will get you creative.
10. *Solar phone charger.* With a solar phone charger, you will be done with those desperate runs for a plug with electricity, while saving energy.

Source: 25 Eco-friendly Products for Your Daily Life, www.conserve-energy-future.com/25-green-eco-friendly-products.php

Green product model. A good understanding of the green product concept becomes easier with the help of having five levels product model. *The core/essence of green product* is the first level where basic green benefits the customer buys is created. *The generic green product* takes shape of a basic model or real product. The tangible product has green quality, weight, size, design, package and label as clear characteristics. The conditions for material needs and premises of meeting green customer specific expectations are created at this second level. Green quality, for example, is aiming at needs for environment and health security and esteem. *The expected green product* is the level where more components and conditions the green customers ordinarily expect and accept are available. Such conditions the green consumers expect may be organic ingredients, no or less pollution or package biodegradability. *The completed green product* includes all the benefits it in addition offers to customers besides the previous ones. A green product could be supplemented with various labels and logos that communicate its green character. These labels and logos are more

convincing on green benefits of the product when they are endorsed by national and international institutions and organisms. The recycling and reuse of the product and producer's availability for packaging recovery could also supplement the product with specific green services. *The green potential product* includes all future improvements and transformations of the product, to provide functions and benefits the product has yet not. The potential green product has a "dynamic and flexible area" where various improvements that secure its green characteristics and diversify environmental, social and economic benefits can be achieved. A potential product could have a lower price that means an economic benefit for consumer if it uses less raw materials and energy, environmental benefits during its consumption if waste is biodegradable and social benefits as individuals who consume the product are healthier and have better results at work.

4.2.2. The Concept and Content of Green Product Policy

The green product policy means bringing on the market green products under the form of new products, diversification of existing products through constructive improvements and elimination of obsolete existing products and compliance with regulations on green products (Hopfenbeck, 1994, p.307). Kurz and Wickert (1995, p.157) have a different approach on green product policy when they say that this policy includes all ideas, decisions and tactical exercises on features and qualities of the product. The green product policy includes also the decisions about the product mix which is a combination of various products and groups of products.

The green product policy is complete if it comprises and solves many issues that can be included in the following four strategies:

- *development and launch new green products (product innovation);
- *change and improvement of existing green products (product variation);
- *diversification of existing green products (product differentiation);
- *elimination of obsolete and non-green products (product selection).

A comprehensive outlook on green product policy should be understood as a mission aiming at pursuing the product during its entire life cycle and directed towards other social actors too besides customers. At the same time, the green product policy as the main element of company's green marketing policy should be tackled from different angles. From the economic point of view, the green product is a vehicle for influencing and convincing the customers. As a green tool, the product policy should consider the effects production, utilization and abandon have on environment, society and sustainable development.

The green product policy has as components the following strategic directions, too (Faix, Kurz, Wickert, 1995, pp.160-166):

**Green product utilizations.* External environmental and social pressures permanently work for wider utilizations of green products. This becomes possible if the green product meets different green needs, expectations and utilizations at the same time performing its primary technical and economic functions.

**Green product attributes.* A product is several features, properties and qualities. These should adapt to any changing needs, wants and expectations of the green consumers. The attributes of a green product should be appropriate as number, balance and dynamic to any demand of green consumers. Speer (2011, p.1) proposes a list of selected attributes that describe green products:

- ~a green product is energy efficient, durable and often has low maintenance requirements;
- ~a green product is free of ozone depleting chemicals toxic compounds and does not produce toxic by-products;
- ~a green product is often made by recycled materials or content or from renewable and sustainable sources;
- ~a green product is obtained from local manufacturers or resources;
- ~a green product is biodegradable or easily reused either in part or as a whole.

The producer should very well know how the green consumer evaluates a green product and realize it accordingly.

**Green product manufacture.* The product takes shape by combining all its features, attributes and properties. In the case of the green product obtaining the best result needs balanced decisions about innovation that means new product development and variation of product change. Manufacture of green product is strongly bound to resources waste, environment deterioration and negative effects on consumer health.

**Green product quality.* The term “product quality” covers all product objective and subjective properties. The objective quality covers technical and physical qualities of a product when subjective quality is the result of customer evaluation. The subjective quality shows the capability of green product to satisfy the emotional requirements and expectations of green customers, environment and life quality included.

4.2.3. Strategies of Green Product

4.2.3.1. Principles of Green Product Strategy

Concerns on environment and consumers' health and green consciousness force the company to re-evaluate their general and marketing strategies. In the case of product policy issues of environment protection, consumer health and sustainable development must be integrated into green product strategy.

First, the strategy of the green product must consider several *sound principles* as a condition for its success (Danciu, 2006, pp.153 - 156).

~*The proactive behavior* is the first principle of the green product strategy. Companies should be permanently informed, willing to permanently learn, be vigilant, and planning in advance the rhythm of product development.

~The second principle is *the permanent tackling of green issues*. Companies should have a dynamic approach since "green target" is a mobile one that depends on changes of consumer sensitivity on green solutions that are sometimes unexpected. To better anticipate the consumer wavering and gain a competitive advantage, the companies must correlate the permanent approach of green issues with ceaseless green innovation. New green products should be developed and launched on the market before the existing ones become obsolete.

~*The integration of green issues even since product is designed* becomes the third principle of green product strategy. Companies that integrate green solutions from the beginning succeed having green products that comply with green consumers' principles and exigencies.

~An important strategic principle has in view *the change of the whole system of design, fabrication, marketing and reuse of the product*. The meaning of this principle is emphasized by the holistic character of the green issues that forces the business to integrate the green approach in all components of the process of design, fabrication, marketing and reuse.

~*The flexibility* is the fifth strategic principle. Companies must be able to find appropriate solutions to each situation. Producers and marketers have many opportunities for enriching and changing the product mix.

~Green companies should comply with *the principle of supply diversification*. One way is product differentiation because of a variety in content and form. Another way of diversification is that of packaging variety by using many materials and forms. Green diversified packaging should allow consumers to choose among those that can be recycled, composted and buried.

~The seventh strategic green principle grasps *the need of reevaluating of the green product value*. A green product value decisively depends on its utility. The better the green

product satisfy the green consumers' need for self achievement, esteem, statute the more useful it is. Businesses can identify many opportunities for increasing profit and improving customers' loyalty by strengthening the intangible characteristics of the green products.

4.2.3.2. Successful Strategies of Green Product

Companies could identify many ways of designing, developing and fabricating green products. Thus, they save money, improve their corporative and brand image and particularly ensure their business development through generating sales and competitive advantages. All these opportunities become real green solutions only if the company make long-term efforts, develop and implement strategies for new and improved green products. Company's interests, capabilities and managerial choices give the variety of strategic options for green products by using five criteria that may be those in Table 4.1. Food improvements could eliminate sugar and/or replace it and chemical colorants and preservatives or use of biodegradable packaging. Autos could have constructive changes which allow less pollution and gas saving. EURO standards that are compulsory today and electric cars help reduce pollution and save petrol. The green improvements must meet at least the following requirements:

- ~existing products can be modified;
- ~improvements are substantial and are perceived by green customers as such;
- ~improvements bring better green benefits and better satisfy consumers' needs and expectations;
- ~improvements allow green products wining new customers.

Table 4.1. Green Product Strategies

1. Degree of technologic innovation	2. Green quality	3. Green product mix	4. Resource consumption for green product	5. Consumer and environment safety
1.1. New product strategy 1.2. Improved product strategy	2.1. Quality maximization strategy 2.2. Strategy of impact minimization on environment and life quality	3.1. Mix diversification strategy 3.2. Mix stability strategy 3.3. Mix selectivity strategy	4.1. Using of sustainable resources strategy 4.2. Saving material resources strategy 4.3. Reused product strategy 4.4. Recycled product strategy	5.1. Maximizing consumer and environment safety product strategy 5.2. Preserving natural resources, habitats and endangered species strategy

1. Degree of technologic innovation	2. Green quality	3. Green product mix	4. Resource consumption for green product	5. Consumer and environment safety
			4.5. Saving energy resources strategy 4.6. More lasting product strategy	

Source: Elaborated by the author

1. Strategies based on the degree of technologic innovation

1.1. The new product strategy aims at developing products which are entirely or mostly green. New green products are entirely green designed, manufactured using technologies that have minimum or zero impact on the environment, using green raw materials and other ingredients and have green conditioning, particularly green packaging.

1.2. The improved product strategy covers most green products. Green improvements may result from adding green ingredients, replacing some non-green or brown components by other that are green, improving green style and design. Improved green products could address existing green customers to better meet their exigencies and expectations or new customers who are already green or will become green in the future.

2. Strategies of green quality

2.1. The strategy of green quality maximization focuses on improving the green product quality no matter the product is new or improved. Green quality has an objective and a psychological component. The objective part of green quality covers the physical components of the product. Therefore, maximizing green quality means observing the rules and standards on environment protection and improving the quality of life. The means could be ingredients having better quality that meet the standards on ingredients growing such as wheat or corn, technologies and additional ingredients such as colorants and sweeteners. Psychological or subjective components of green quality may be the result of the psychic comfort given of using or consuming the product, the green advantages of the product and subjective perceptions of the green consumers.

2.2. The strategy of minimizing the impact on environment and quality of life. This strategy accompanies the maximization of the green quality since the green product provides quality by means of its attributes and characteristics.

3. Strategies of green product mix

3.1. *The strategy of product mix diversification* aims at adding new or improved green products to the existing assortment. For example, new formula of food for children less than a year old could be produced by using organic cereals, fruits or vegetables.

3.2. *The strategy of product mix stability* focuses on new green products that replace existing and used non-green products. The replacement pace is constant, so the number of green products does not change.

3.3. *The strategy of product mix selectivity* goes from stability to diminishing of the green product number. The number of assortments diminishes because the non-green products are replaced by partial green variants.

4. Strategies of resources consumption for green products

4.1. *The strategy of using sustainable resources.* The perspective of fast exhaustion of natural resources that are intensively consumed brings pressures on finding new technologies and new efficiency. On the one hand, non-renewable raw materials can be replaced with others more lasting. For example, the paper can be manufactured from new raw materials such as cotton and hemp and it can be bleached using peroxide instead of chlorine and this way a more versatile fiber is obtained. On the other hand, the renewable resources could be used more. The oil can be replaced by solar or wind energy for generating electricity.

4.2. *The strategy of material resources saving.* Many companies understand that by reducing the consumption of materials they can make better products. The savings are for consumers, too because they must pay less as products and packaging reduce costs. Then, these products and packaging can be easier handled, transported and deposited and this could favor the sellers. By reducing volumes and weight of packaging the used energy and pollution are also reduced. There are different methods for reducing the consumption of material resources. Some of them are concentrated products such as super concentrated detergents, multi-functional products like the combination detergent + balsam, or soap plus balsam and hydrating cream. Another way of saving raw material for packaging production is the increase of quantity per package such as detergent packaging that can contain until 10 kilograms of product. Diminishing the weight by replacing heavy materials with other smaller weight ones like replacing glass with biodegradable or

compostable materials is an already used solution. Packages that can be reused reduce the total cost of packaging.

4.3. The strategy of reused product. The principle “use and throw” can be amended with the help of products and packages that can be reused. Successfully safety razors are those that lasting more time, for example.

4.4. The strategy of recycled product. Many countries recycle the packages from metal, wood, paper or plastics on a large scale and recycling products such as ready-made clothe, garden furniture, various auto parts are wide spread. All these materials are also used in part or totally, to obtain new cheaper products and packages. Recyclable materials can increase customers’ loyalty and strengthens the relationship with the marketers. The recycling strategy is relating to the regulations that ban burying waste that are toxic for soil, subsoil and air such as batteries, used auto oils, paintings.

4.5. The strategy of saving energetic resources. Energy consumption is closely connected with resources exhaustion and production and consumers costs. Alternative technologies for replacing the energy from non-renewable sources like oil and coal with that of renewable sources such as solar and wind energy is significant for energy saving. Another solution consists in the fabrication of products that have little energetic consumption namely air conditioners, washing machines, refrigerators, TV sets, hair dryers that need less energetic consumption.

4.6. The strategy of more lasting product. Many lasting products have an important competitive advantage for consumers. Durability is a traditional advantage in the case of domestic appliances and automobiles, but it rapidly becomes a source of added value and a quality indicator for many product categories. A more lasting product means also reduced consumption of raw materials since the substitution rate is slower.

5. Strategies of consumer and environment safety

5.1. The strategy of maximizing consumer and environment safety. Improving consumers and environment safety is a permanent issue for green product strategies. A first alternative is to provide maximum effects for the users of the green products. Attributes such as those on health are decisive for the customers who avoid products containing ingredients that threaten their health. Another strategic option is to increase consumers and environment safety through products and packages that can be safely buried and cremated. The first way is to eliminate the ingredients that damage the environment. Ingredients such as silver, lead, nickel are polluting the subsoil or the subsoil water and used by plants and animals. In this way, individuals who consume contaminated meat, fruits, vegetables and water could be affected. Another possibility for minimizing the negative effects is to manufacture biodegradable products and packages. The chlorine and phosphates can be replaced by biological enzymes or carbon dioxides in the case of washing products. Packages could be manufactured of biodegradable materials. Bags, boxes and glasses made from biodegradable plastics are used on a large scale. The third strategy for reducing and eliminating the negative effects on environment is the use of compostable products and packages. The decomposition principle is natural, anything is recycled. Therefore, everything that is buried reaches the soil, subsoil or air must be decomposed and if it disintegrates the remains should not be damaging.

5.2. The strategy of preserving natural resources, habitats and endangered species. Problems of preserving the entire environment, humans included, are extremely vast and difficult. Preservation of natural resources can be secured by using technologic solutions that allow the reduction of raw materials and energy consumption. The production of refrigerators, washing machines, air conditioners, heating and lighting sources and many other products can use technologies that reduce raw materials and energy consumption when manufacturing them and energy consumption when using them. Human interventions should not destroy the local environment of animals, birds and other living beings or even humans. Water pollution of the rivers, young woods, caves, marshes or cutting forest have negative impact on natural conditions of living and perpetuating the various species. Accidental overflowing, industrial remains, oil and petrol domestic wastes as well as reduction of forest areas have their role in the real and fast disappearance of species.

Significant examples of using some of the above green product strategies are the electric and hybrid cars. These two categories of cars hold a plurality of advantages which are characteristic of some green product strategies. The green cars are the result of technical innovations, are improved and resources saving products since

they reduce the gas emissions, replace the use of nonrenewable resources such as oil derivatives (gas, diesel oil) with that of renewable resources such as electricity. Thus, these cars contribute towards the environment protection, sustainability, health improvement and even towards a better society. The first ten greenest cars ranking for 2017 as Forbes produced it is that of table 4.2.

5.3. Analysis of Green Convenience

Green marketing convenience describes all efforts for the green product or service to easily reach the consumer. That means the green product or service is widely available and consumers have easy access to it. The distribution system deals with the activities and resources needed to achieve the above-mentioned requirements. The green distribution system consists of green distribution channels, green logistics and their coordination.

Table 4.2. Top 10 “Greenest Cars” 2017

Rank	Car brand	Green score (100=max)
1.	Hyundai Ionic Electric	64
2.	BMW i3	64
3.	Toyota Prius Eco	62
4.	Fiat 500E	62
5.	Nissan Leaf	60
6.	Chevrolet Bolt	59
7.	Kia Soul Electric	59
8.	Toyota Prius Prime	59
9.	Toyota Prius c	58
10.	Ford Focus Electric	58

Source: www.forbes.com/sites/jimgorzelang/2017/02/14/the-greenest-cars-2017/#56c7da

5.3.1. Green Distribution Channels

Particularities. The green channel of distribution is the route that facilitates the access of the green product from producer to consumer. The dominant characteristic of the green distribution channel is the two-way circulation of the green product. This implies that all participants must help recover used products and waste. Producers and marketers must create recovery circuits that recover used products and recyclable packages. At the same time, users need places to convey waste, too. Producers and marketers have promotional initiatives to receive used products such as batteries, computers, refrigerators, TV sets and so on when customers buy new ones. From time to time, sessions with a day, a weekend or a week length are

organized by local authorities to recover used products. In their turn, collection centers have the role of packages recovery and consumers are educated to store them in special containers.

Functions. The fundamental goals of the green distribution channels are environment protection, green product protection, consumers' health together with their contribution to green consumer satisfaction. Any green distribution channel should work to facilitate the consumer access to the green product. That calls for placing distribution centers close to customers. Promotion and informing green consumers are also necessary functions of the green distribution channels. Promoting any supply can contribute to an easier acceptance of the green products and their faster buying. To support this process, the channel members must inform the customers about the places where the green products can be found, their localization, assortment, prices and facilities. Providing needed services for green customers means free green transportation, installation of the green product, facilities at purchase and post-purchase such as reparations, credits and others. Green distribution has also a logistic function that is achieved through transportation, warehousing, assorting and manipulation with minimum negative effects on environment, life quality, society, and resources and that preserves the features and quality of green products.

Types of green distribution channels. Green products can be marketed using the existing channels and through new channels. No matter the choice, a green product could be distributed through short channels and long channels. *A short green channel of distribution* involves few intermediaries or no intermediaries. Green products characteristics and the cost of green distribution make short channels more appropriate for the distribution of green products. Depending on the specificity of every green product intermediaries take part in green distribution channel by integrating major retail stores namely big retailers, retail networks, green specialized stores, organic restaurants or processors as intermediaries. *Green direct distribution channels* imply that the producer supplies the green product to consumer. Some alternatives of the direct channels are direct relations between producer-consumer, farm shop-consumer and peasant market.

Reverse channels are those channels that are designed to return goods to their producers. Reverse channels have gained increasing importance with increasing availability of recycling facilities and enforcement of additional antipollution and conservation laws. For many products, manufacturers develop systems for rechanneling products for recycling and create specialized organizations to handle disposal and recycling. The case of distribution practices of organic food from Box *a. helps better understanding the green products distribution.*

Box 4.2. Green Distribution Channels for Organic Food

Distribution of organic food uses a great number of direct and indirect channels.

- a. *Supermarkets*. When the market of organic food becomes mature the supermarkets bear a leading role in organic food distribution. There are three categories of supermarkets operating in organic food market:
 - ~supermarkets with a maximal strategy which have more than 400 organic food products on the shelves;
 - ~supermarkets with a basic strategy which have between 50 and 250 organic food products;
 - ~supermarkets with a minimal strategy which have up to 50 organic food products on the shelves.
- b. *Specialized organic stores*. They are found both in developing and developed countries. In the urban areas of the developed countries, specialized stores are the most important way of selling, after supermarkets, unlike rural areas where direct sales without intermediaries are more important. Many specialized organic shops have strong links with certain organic producers.
- c. *Processors*. Some organic farmers prefer to sell their production to processors, particularly in developed markets.
- d. *Organic restaurants*. Organic restaurants were among the first customers of the organic farmers. Marketing to organic farmers significantly improves the image of farmers and that of the restaurant. Farmers associations can organize and open their own restaurant which is a win-win situation.
- e. *Box-schemes*. Marketing of box-schemes type consists in organic food delivering at the consumer home by a company provided by one or more farmers at a fixed price.
- f. *Community Supported Agriculture*. This system consists in common planning of fruits or vegetables to be produced and delivered during the year by one or more farmers to a group of families. The consuming families must pay in advance a part of the value of the products.
- g. *Farm shops*. This distribution channel is suitable when the producer is informed, has a business vision and knows to retain green consumers. Farm shops must be located near cities or near highly traveled roads.

- h. *Peasant market.* Peasant market for organic food has become an option due to the segment of buyers willing to be viewed as having financial possibilities to buy organic food.

Source: Atanasoae G. (2011), "Distribution channels on organic food markets", Journal of Horticulture, Forestry and Biotechnology, Vol. 15(3), pp.19-25

5.3.2. Green Logistics

Definition and objectives. Logistics include the set of activities and the needed infrastructure that ensures the efficient administration of physical and informational flows of procurement and marketing of products aiming at orderly reaching the consumer. Green logistics is a form of logistics which is viewed as environmentally and socially friendly, in addition to economically functional. It includes all activities of the forward and reverse flows of products, services and information between the point of origin and the point of consumption (Saroja, 2014, p. 90).

The goal of logistics is to render maximum services at the lowest price to customers. In the case of green logistics, such a goal is difficult to achieve. Full green services ask for fast delivery, reduced stocks, larger quantities per transport, all these having a minimum or no impact on environment, society and profit. Therefore, the objectives of green logistics focus on meeting these requirements about environment, society and profit as follows:

*Reducing the environment impact of freight transportation. Transportation is the major source of negative environmental effects.

*Minimizing the effects of warehousing on the area surrounding the facilities.

*Managing the return flow of waste.

Ways to achieve green logistics objectives. Environment protection, resource saving, social impact and economic efficiency ask for designing and executing logistic activities by considering the resource consumption such as energy and raw materials and pollution sources like waste, gas emissions and others. To avoid the raise of total cost of distribution and to reduce pollution, the company must:

- A. *Use means of transportation that have low consumption and pollution.* Use alternative means of transportation and routes. The use of auto transports that have non-polluting equipment, low consumption motors or use of non-polluting fuel or electricity reduce the negative environmental and social effects. In its turn, railway transportation can take place of auto transportation that is greener. Water and sea shipping are also ways to better protect environment and health. All these transportation solutions that can protect the environment

and the society should be used if they are more rapid, ensure a better geographic cover and are economically functional.

- B. *Consider the negative impact of logistics in every link of value chain and during the entire life cycle of product.* Diminished negative effects of logistics activities are more significant if they can be obtained in every link of value chain and during the entire life cycle of product. Inbound logistics, procurement and out bound logistics are the links where most waste and pollution are created. The manufacturing stage brings mostly waste while marketing and after sale services ask especially for reverse logistics. In fact, all links of the value chain are sources of waste and pollution, no matter their hierarchy in every stage.
- C. *Practice reverse logistics.* Reverse logistics calls for creating flows that allow recovery and transportation of secondary products that pollute the environment, affect health and economic efficiency. Thus, waste, recyclable and reusable packages are recovered and transported to the appropriate place. Since logistics flows can be a source of difficulties and losses they must be reduced. With that end in view, reverse logistics lays stress on reducing and replacing but also on reusing and recycling. Reduction of pollution sources means achieving the same activities using fewer resources. That practice allows the reduction of total waste of logistics. Replacing is about the utilization of more environmentally friendly materials and fuels. Reutilization consists in using non-modified same item more times so that the loss could be minimal. Recycling gives the opportunity to reintegrate the already used materials into circuit.

Reverse logistics contribution to reduce the negative effects of processes of manufacturing and marketing green products and services on environment, society and to improve economic performance is the result of benefits of getting into green logistics (Saroja, 2014, p.90):

- ~reduction in CO2 emissions (pollution);
- ~unlocking significant cost saving;
- ~heightened supply chain optimization;
- ~boosted business performance.

5.4. Analysis of Green Communication

5.4.1. The Concept of Green Communication and its Motivation

Green companies should communicate their green agenda to consumers and public without attracting environmental and social criticism. Green marketing communication has a strong promotional substance. Therefore, it stimulates the demand for green products. In addition, the goal of promotional communication plays a prominent part in correcting the trust deficit of green marketing and green information asymmetries. The public and the consumers are often skeptical about the green initiatives and strategies of the business. The consumer's environmental involvement could have various degrees of commitment. In this context, three categorizations of environmental involvement can be distinguished, and these are environment concern, attitude toward the green products and green purchase behavior. As Schmuk et al (2017) explain, the environmental involvement moderates the degree to which virtual nature experiences and brand benefits influence brand attitudes. Another motive that urges good green communication is the green communication asymmetries. The company must understand that consumer and public are partners and beneficiaries and meeting their green exigencies is the most important goal and the source of business survival. This calls for an interactive green communication and for financial, human and managerial efforts. Considering the unbalanced distribution and access to information between consumers, public and business is the task of the latest to convince the consumers that its green efforts are real. These efforts are aimed at a more balanced flow of information and correction of asymmetries in green communication between the market's actors and their behavior (Danciu, 2006, pp.178-179). A good outcome of the green communication encourages green consumers and businesses.

5.4.2. Exigencies and Challenges for Successful Green Communication

Green communication could have the expected results only if it meets fundamental exigencies and challenges.

First, *green communication should be sincere and credible*. Green communication efforts, media and messages must tell the truth about products and initiatives of the company. Since green consumers are demanding and resolute the embellishment of reality will not help. Once they are deceived any future message, product and business itself will not enjoy green consumers' confidence.

Second, *green communication should be clear and transparent*. That means the addressee of the communication effort should have access to information that corroborate the affirmations and claims of the messages. These messages should be easily

understood. Therefore, they have too many technical and economic data that are too pretentious and the customers who are not well grounded in interpreting the green information will move away.

Third, *green communication should have a two-way character*. The one-way communication has only a limited success. In the case of green communication many and important misunderstandings about businesses green intentions and green customers could emerge. Therefore, many intentions of the companies will not be entirely understood without feedback and collaboration based on permanent two-ways communication and consumers and the public will not be completely understood by the business.

Fourth, *green communication should be relevant*. Green communicated information should be substantial and focused. General and unimportant information confuse the customers rather than enlighten them. An individual is not convinced about what the company does and offers and that its products are what it claims. As result, the chances of consumers to choose green products are small.

Fifth, *green communication should be complete*. Green information must include what addressees should know. Customers and public want to know everything about environmental technologies, green materials, ingredients and products the communication informs about.

5.4.3. Objectives of the Green Communication

Green communication aims at helping the company and the consumers to achieve their goals (Reutlinger, 2012, p.34).

~A first objective is *raising the awareness of the mass market of the green products*.

~*Informing about green products or companies* is another objective of the green communication. This is about informing on company's efforts and outcomes for environment and life quality protection that materialize especially in green products.

~A third objective of the green communication consists in *reminding consumers about the product itself, its sustainable use or post-use behavior such as recycling or taking back possibilities*.

~Green communication has also as objective *persuading consumers to purchase green goods and services*. This means to try a new product or change of brand for the consumer. In the case of customers who choose company's products, green communication is aiming to reward them for buying the product, relate with the company or other behaviors which motivates and helps to build customer loyalty.

5.4.4. *The Green Communication Mix*

For achieving its multi- purpose objectives, the green communication uses numerous and various forms and instruments that form the communication mix. The green communication mix includes advertising, personal selling, direct marketing, sales promotion and public relations (Reutlinger, 2012, p.34), paid advertising, PR, sales promotion, direct marketing and on-sale promotion (Sarkar, 2012, p.127), sales promotion, direct marketing, PR and advertising (Eneizan et al, 2015, p. 822) or advertising, PR, sales promotion, brands and expositions (Danciu, 2006, p.181).

5.4.4.1. *Green Advertising*

Green advertising tackles the issues related to environmentally safe and sustainable production, distribution, consumption, disposal etc of green products and packaging materials on the marketing front, to make marketing activities eco-friendly and sustainable. Green advertising refers to marketing environmental and sustainability issues of marketing decision-making. This includes change in packaging materials, change of a product by another, encompasses disposal of waste generating during production and distribution, the disposal of packaging materials after use of product (Anhuja, 2015, p.40). Green advertising should select and use a balanced mix of green credible arguments which is correlated with other arguments especially with those about the utilization of the product. Advertising messages and their arguments should be real, factual and informative.

To increase market chances, green advertising should emphasize the specific characteristics and features of the green product such as:

- ^utilization ease that can be obtain because of product high concentration;
- ^healthy character that can be supported by the method of growth, organic or bio character of fruits, eggs, vegetables;
- ^financial advantages if they exist that can be found in smaller price.

Types of green advertising. There are different types of green advertising, their possible number being suggested by Suraya and Vijaya Bany (2014, p.6) who enumerate adds that address a relationship between a product or service and biophysical environment; adds that promote a green lifestyle by highlighting a product or service and adds that present a corporate image of environmental and/ or sustainability responsibility. Jari (2011, p.142) proposes three types of green advertising too and these are:

+Green advertising focused on product. This type relies of the use of eco-friendly attributes that a product possesses. The product is biodegradable. The product is healthy. The product uses fewer raw materials. The product is recyclable. The product is sustainable.

+Green advertising focused on image orientation. This type associates an organization with an environmental cause based on a broad public support.

+Green advertising based on environmental facts. It involves an independent statement from an organization about the environment at large or its situation.

Advertising media and instruments: logos and other signs or symbols; press; television; social networks.

~Logos and other green signs or symbols. Eco-labels demonstrate what a business inform and show its consumers that it has employed environmentally sensitive production and distribution methods. Eco-labels use is a good way to differentiate the product from non-eco-friendly products. Green packaging is used to enhance brand perception and value. Communicating the results of the testes made by neutral organisms and researches can help increasing trust in green products, but only if green products and businesses are certificated by international and national organisms or professional and green organizations. If certificated by neutral organisms, information on green content features and effects of products are more credible and advertising could use it.

~Press, particularly specialized reviews on green products and environmental protection and sustainability, prove efficient advertising media. They address groups such as green consumers segments and have better credibility than other means.

~Television could be successfully used as green advertising medium since it addresses to large groups of individuals, has a wide visibility, has low costs pro contact and is credible enough.

~Social media like Facebook, Twitter, LinkedIn, Instagram can play a role in green advertising, but the messages should be focused according to the profile of those who exchange information about green products.

The claims about green products and services should meet many requirements and a single medium of communication is not enough for convincing green consumers. Therefore, a mix of media should be used for supporting the claims on environmental, quality of life and sustainability benefits to obtain the credibility for the company's green products and services. A "modus operandi" for convincing green consumers about the claims of the greenness of a product is that of Box 4.3.

Box 4.3. Credibility of Green Product Claims

Green products must meet or exceed consumer expectations by delivering their promised consumer value and providing substantive environment, life style and sustainability benefits. To avoid misperceptions and skepticism about green product claims business should take actions such as to:

- * Employ environmental product and consumer benefit claims that are specific, meaningful, unpretentious and qualified; that is compared with comparable alternatives or likely usage scenarios.
- * Procure product endorsements or eco-certifications from trustworthy third parties, and educate consumers about the meaning behind those endorsements and eco-certifications.
- * Encourage consumer evangelism via consumers' social communication networks with compelling, interesting and/or entertaining information about environmental products.

Source: Sandeep, Tiwary; Durgesh, Mani Tripathi; Upasana, Srivastava; Yadav, P. K. (2011), "Green Marketing-Emerging Dimensions", Journal of Business Excellence, Vol. 2, Issue 1, pp.18-23

Content and focus of advertising messages. Green advertising must be able to communicate the relationship between green products and services with the environment and sustainable development and promote green life style and enhance the corporate image. The message content and focus play a prominent part in achieving these objectives. What appeal the product has for the green consumers is significant for informing, convincing the green consumers ad their purchase decision. A list of the appeals that could be used in communicating green products is in table 4.3.

Table 4.3. Appeals of Communicating on Green Product

Zeitgeist appeals	Portraying green as a trend of the times Companies portray their products as green, communicating that they are part of this trend
Emotional appeals	Tending to make consumer feel fear or guilt but also empowered
Financial appeals	Emphasizing the saving consumers can make with a green product
Euphoria appeals	Highlighting the well-being for consumers: health benefits or nature ingredients of a product
Management appeals	Company is working towards social, environment protection and sustainable development
Other appeals	Testimonials Celebrity endorsements advertising

Sources. Reutlinger, 2012, p.12 and the author

To make green advertising effective, successful and profitable, it must have messages that will work for *measures* such as the following (Anhuja, 2015, p. 43):

**Optimum utilization of resources.* Green messages should not encourage the over use of resources available and should not force excessive buying through advertising rather should encourage and educate customers and buyers to go for optimum utilization of resources.

**Minimization of waste.* Green messages should be designed and developed to reduce the wastage, encourage the continuous and sustainable development.

**Environmental - friendly promotion.* Green messages should design and develop keeping in mind the social hazards. Ads should be society centric and eco-friendly.

**Ensure natural claim.* Through green messages, the companies must ensure production of products by using natural things which are environmentally safe and healthy and are good for consumers.

**Sustain green profile.* Companies must ensure production of those products that follow sustainable, environment and health protection measures and have written documentation of green measures that show results and impact on the environment, society, health and consumer.

Unfortunately, not all claims can be believed because of green - washing. Green - washing means deceptive marketing designed to portray a company or product as caring for the environment. Box 4.4. contains a list of sins of green washing for green products.

Box 4.4. Sins of Green Washing

North American marketing firm Terra Choice has defined “7 sins” of the green washing.

1. *Vagueness.* Green claims that could be described as vague include environmentally friendly words and expressions such as natural, pure, renewable, recycled, and even eco, earth, greener, plant-based or chemical free when they are not supported by proof.

2. *No proof.* tested on Claims such as not animals or sustainable forestry may be included in this category. Animal testing statements don't have to be certified and some give little or no detail of what really mean. “Not tested” doesn't mean individual ingredients in the product could not have been tested on animals or doesn't mean “no animal ingredients”. Sustainability is a big claim that must be demonstrated. Lessening on environmental impact doesn't make a product sustainable. The word is often seen on paper products.

3. *Fibs and false impressions.* These can include such statements as “certified environmental claim” or “good environmental management”. Environmental

claims should relate to real environmental benefits. For example, they mustn't claim to be certified when they are not. The term "recyclable" can mislead as recycling facilities might not exist or the product might not even be recyclable.

4. *False certification systems.* This sin is the effect of companies' practices such as labeling packaging with logos that look like a third party's certification but is not really a fact.

5. *Hidden tradeoffs.* This can include claims that a product is biodegradable or degradable. Degradable means that a product simply breaks into smaller pieces and biodegradable that living organisms can decompose it. "Biodegradable" can be misleading if the product takes very long time to biodegrade or requires specific conditions or the breakdown process proves toxic.

6. *Lesser of two evils.* When a product implies that it is greener than other products, the basis for the comparison really should be explained. These claims can sometimes be talking about the lesser of two evils, when in fact there's a third even greener option available. For example, "elemental chlorine free" is seen on things like paper products or nappies. This is better for environment than regular chlorine bleaching but is lesser than for products that claim to be "totally chlorine free" or unbleached.

7. *Irrelevance.* Claims like "made from renewable forest source", which can be found on products like toilet paper, don't help the customer decide which is the greenest toilet paper. All products and trees are renewable. Common claims that a product is "ozone friendly", "ozone safe" or "okay to spray" can be considered exaggerated since the entire threat to the ozone layer hasn't been removed, just reduced.

Source: Kate Morris 2016), "It's not easy choosing green", 30 September, <https://www.choice.com.au/shopping/packaging-labeling-and-advertising/labeling/articles/green-claims>

5.4.4.2. Public Relations, the Cultural Element of Green Communication

Green Public Relations (GPR) is a form of interactive communication that creates a two-way information wave. The main goal of GPR is to acquire a favorable public opinion for the company having a green consciousness and behavior. The focus of GPR effort should be on the whole public who may be interested in green problems no matter it agrees or not with the green company's activities. Customers, public opinion, various pro and con groups, company's employees and their families, green activists must become subjects of a two-way green communication.

GPR actions are successful if companies comply with the rules that are called by Faix, Kurz and Wickert (1995, p.334) as "*aphorisms of truth, clarity and unity between words and actions*":

*green PR actions should be allowed only when they can be backed up by facts, results of some neutral tests included;

*information on greenness of the company communicated through PR should focus only on definite, concrete activities achievements and results;

*communication media should be watched in order that company's green achievements to be included in green PR problems;

*green measures of the company should be transparent, namely their truthfulness can be checked up;

*green PR declarations should explain what are progresses made in environmental, health, and sustainability fields.

The mission of responsible green PR could be expressed as multiple tasks that are clarity and accuracy as leading principles. These GPR tasks are the following:

+informing the public; that means informing on what you do;

+listening to the public; in other words, asking the public if it understands what you do in the green field and tell about what you already did and will do;

+motivating the activities that means explaining the public the motives you act one way to convince the public.

GPR methods and instruments

^Informing and consulting methods on green themes could be press conferences, seminars, workshops, press subjects, "Open doors Day" manifestations. Dissemination of commercial reports, social balance sheets and publishing telephone numbers for discussing green practices of the business, as well as dissemination of presentation booklets and journals of the companies that inform on green initiatives and debate green issues could be also successfully used.

^Techniques for the information dissemination through mass media can be interviews on green subjects, films having green subjects, news on activities and results the company has about environment protection, health, sustainability and green solutions. ^

^Recalls of special green events can be green events celebrations, inaugurations of green objectives such as green production units or installations.

^Green sponsorship. The companies that use green sponsorship support activities for the restoration and preservation of monuments, forests, wild species, oceans and rivers. When choosing sponsors, green criteria should prevail. The sponsors

should have concerns, activities and results on environment and life quality protection.

^Lobby for green causes and initiatives can play a significant role in green communication. Lobby activities could have politicians, regulation bodies and even international organizations as objectives.

^Green direct dialogue. Such a dialogue could have the form of partner visits, visits of public opinion green representatives at plants and other companies' units, conversations with individuals who could influence public opinion or groups they belong.

5.4.4.3. Green Sales Promotion

Green sales promotion should give incentives for buying green products. It aims at immediate tangible results. Therefore, green sales promotion should support advertising and GPR as a conjugate promotional effort. The numerous and various forms and instruments of sales promotion address consumers and middlemen. Green sales promotion for consumers especially uses:

*on-site advertising that includes in store presentations and demonstrations with green products where one could use flyers and posters having green information;

*free samples that could persuade the users of the green products qualities before buying them;

*contests that could play a role in green products sales promotion if the prizes are stimulating enough and aim at rewarding buyers' loyalty;

*social media that could use most of the above instruments due to their characteristics, information on green products could be disseminated and contests could be performed.

Green sales promotion addressed to middlemen could resort to traders, sales force, the training of traders' sales force, the partial payment of publicity expenses by producers or sponsoring traders.

5.4.4.4. Green Brand Communication

The brand is a sign, a symbol that consumers use for identifying products and values of a company and differentiate them from those of the competition. The brand helps the consumer to examine the values it confers to the product and the company. Conscious green consumers give environmental and social characteristics, qualities and values to the company's efforts for environment, life and products protection. The green brand promotes green consumption therefore it must

communicate the green claims. A green claim can be a statement or representation about the environmental impact of a company's brand and practices. The green claims may be made by means of any communication medium, including packaging, labeling, package inserts, promotional and point-of-sales materials, product literature, radio and television as well as digital or electronic net. The proper connection between the green brand and the consumers may be achieved only if the communication objective is genuine. When using a green brand as communication tool, the company must capitalize on the increasing preference of the consumers to purchase the brands that are perceived as green. Companies need to visibly demonstrate how green brands make a real difference to people's lives through their environmental and quality of life benefits. Then, a green brand should fulfill its promise or modify its promise. The environmental campaigns which are using green brands must promote positive behavioral actions. Therefore, they should transform the complex themes to simple solutions that potential customers can easily relate to and understand. They must permanently consider that only an honest communication of green claims can create a proper connection and persuade the consumers to act. In addition, green brands should make consumers feel they are empowered to buy green. The brands which communicate creative and lighthearted approaches engage many more consumers to take green action.

The success of a green brand depends on how the green claims and information succeed to persuade the customers. At the same time, green arguments must not be overestimated to create a true emotional bond with the customers. That is why green branding calls for the integration of the following criteria that will guide to success on the market. A first criterion says that the essence of a green brand must be unique since it represents the differentiation factor from the competitors. Then, the green brand must be strong with a high value for consumers. A brand must also invoke an emotional response, and this asks for the brand authenticity. In addition, green brand must be meaningful for the customers if the company wants to be a success. Finally, the essence of green brand must be infused in every aspect of the company and its products.

The intensifying role of the brand as a tool of green communication increases and calls for all the above terms to become green brand practices. At the same time, creating brand identity and image and acquiring brand notoriousness call for big investments. These big investments must be recovered. Therefore, only a well programmed and achieved brand policy may lead to big market successes.

5.4.4.5. Green Communication Strategies

The whole effort of the green communication should be calibrated at strategic level. In the green marketing literature, it can be found the following strategies of green communication (Ottman, 2011; Danciu, 2013, pp.14-15): strategy of educating the consumer, strategy of empowering the consumer and strategy of convincing the consumer.

**The strategy of educating the consumer* means educative efforts on environmental and quality of life issues a green company solves as a response to the pressures of consumers or because of the business initiative by providing the needed information. The goals are reached if the messages inform on environmental, health and social benefits of the green products.

**The strategy of empowering the consumer* with green solutions consists in demonstrating to the consumers how environmentally healthy products and services help them protect life and preserve the environment for the future generations. Thus, this communication strategy supports the sustainable character of the green marketing.

**The strategy for convincing the consumer* has at least two directions. The first part of the communication strategy has provided the performance reassurance of the green products as a goal, to persuade the consumers that these products are good or even better than the brown existing ones. The second strategic direction appeals to the consumers' self-interest in bringing out the benefits of green products to both actual and potential consumers. The consumers quickly like better many green products when they are correlate the green solutions to their personal well - being.

The three communication strategies have a push or a pull orientation. The push green communication strategies have the information flow from the producers to successive links of the distribution channel until the message reaches the customer and she or he asks for the green product. The explicit and implicit messages reach the consumer via push and pull promotional mixes. Green promotion mix could have different combinations between direct selling to consumers in show rooms or face to face, negotiations with retailers to stock the company's product, utilization of efficient supply chain allowing retailers effective supply, trade show promotion to encourage the purchase and the point of sales displays. The pull green communication strategies have the initiative on the consumers which actively seek the product of the company as a support. The communication messages are feeding the market and the creation of demand almost looks after itself. Some pull promotional combinations could be built up from advertising and mass media, word to mouth referrals, customer relationships management and sales promotions and discounts. The business must have a strong brand, to obtain good push-pull effects of its green communication strategies.

5.5. Analysis of Green Cost

5.5.1. Green Cost Categories Impacting the Price

Green pricing is one of the most difficult puzzles of the green marketing policy. The process of going green is expensive in terms of installing new technologies and equipment, training people, absorbing external costs and converting waste into recycled products (Aresculatne and Yazdanifard, 2014, p.133). These costs are inevitably integrated into the end price of a green product. The practices of green pricing consider both economic and environmental costs of production and marketing while simultaneously providing value for customers and a fair profit for the company (Sudhalakshmi and Cinandorai, 2014, p.110; Reutlinger, 2012, p.29). The companies must be very careful when they transfer such expenses to the customer because they are facing two dangers of being charged with missing of customers' interests as well as relative increasing of prices in comparison with the competitors.

5.5.2. Particularities of Forming the Green Price

The price of green product strongly impacts on consumers' decision making. The product value is the basic criterion for consumers' payment. Customers look for green products that maintain and improve environmental, social and individual health. Therefore, most customers are prepared to pay a premium only if there is a perception of additional product value (Sarkar, 2012, p.127; Diglel and Yazdanifard, 2014, p.13). Environmental benefits are usually a bonus but will often be the deciding factor between products of equal value or quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration such as fuel-efficient vehicles, water-efficient printing or non-hazardous products.

Businesses that produce and sell green products should consider not only the benefits of the products but also their higher costs. Sources of additional costs that increase product price could be found in all links of the value chain. Intensive research and development costs, appropriate technology acquisition need significant funds. In their turn, costs of green communication, distribution and logistics can be bigger. If the revenues are small or there are no revenues at least during new green product launching, that could increase the price of the green product. Every additional cost puts pressure on total cost increasing and the end price becomes higher.

5.5.3. Strategies of Green Price

Objectives of the green price strategies. Green companies are interested in having the appropriate prices for their products that cover their costs and do not overtop the customers' expectations. Price strategies make easier the achievement of these demands. Any price strategy of the green products needs appropriate objectives. *The realistic return of investment rate* is a common objective of all green companies. They have higher costs due to investments for environment protection, achieving green quality, parts, manufacturing and marketing costs. *The profit* is a natural goal for rewarding the efforts to create, develop, manufacture and market green products. An equally important objective of the green price strategy is *the promotional one*.

The green price strategy should be based on the elements that stimulate green product processes and consumers' decision-making. Such elements or factors that can be used when developing the green price strategy are:

- ~green qualities of the green product;
- ~better quality of the product because of green characteristics;
- ~customers' preference for high quality as a source of green benefits they buy;
- ~mixed or situational behavior of the customers who rely on best ratio between price and quality;
- ~favorable effects of the green product on environment and quality of life.

Green price strategies

**The cost-based strategy* takes the costs of production and marketing into account and adds a profit margin to calculate the end price. Higher prices based on cost can stem from high costs due to the change towards the green and sustainable production processes, at the beginning low production and selling volumes or internalizing costs. Green production volumes can be counter-balanced by costs saving which are quickly reliable, to lower price, thus encouraging sales and increasing the production and distribution volumes. A price disadvantage may result from voluntarily internalizing costs if competitors do not follow. At the same time, innovations and constant improvements can help companies to save costs from the beginning and enable them to have lower prices (Reutlinger, 2012, p.31). The total cost of a green product consists in both monetary and non-monetary costs thereby it incurs the product evaluation, purchase, use and disposal. In many cases, customers ignore the total costs; therefore, the sustainable marketers need to make the consumers aware of all costs related to a product.

**The value-based price strategy.* A segment of the consumers is willing to pay extra price or premium in green products or products that have some sort of green attributes in the supply chain. This segment is minute, educated and well-to-do and may be inclined to “flow with the times” or like to be seen as green (Pankaj, 2012, p.1). Consumers which belong to this segment are looking for best value of the green product. Value-based price strategy looks less at the costs of production and instead on how much the consumers are willing to pay for a green product, based on the perceived value. Therefore, value-based prices can rely solely on the fact that the product processes produce more value. This strategy aims usually at a market willing to pay more. Value-based pricing does not necessarily mean premium prices but depends on the company’s strategy.

**The premium price strategy* lays down as a rule a premium on the price of the green products. Similarly, to value-based price strategy this strategy aims at creating preferences for the green product. This preference can be obtained only when the green product has quality and green benefits.

Green price tactics

Green price strategies are implemented by means of tactics that give more flexibility to the business practices. Such tactics are larger quantity pricing, complementary product pricing, disposal versus reusable system pricing, take-back pricing and rent/lease pricing (Pankaj, 2012, p. 1).

**The larger quantity pricing.* Big size packaging is generally more environmentally efficient than their smaller counterparts as they require less amounts of material to pack a product. Even products like laundry detergents that come in concentrate forms which require water to be added at home by the consumers are more eco-efficient than regular detergents as concentrates will require much lesser packing to deliver the same amount of liquid.

**The complementary product pricing* may be implemented for any product with several parts that can be recycled or remanufactured. Toner remanufacturing for printers is a typical example for the complementary pricing tactic.

**The disposal versus reusable system pricing.* A disposable product may cost more in some instances like in the case of diapers whereas a reusable product may cost more in other cases like the use of refillable coffee containers sold by many companies such as Starbucks.

**The take back pricing.* Future disposal costs are embedded in the current price that the consumer will have to pay. It assumes future costs will be incurred for taking back a product. Sometimes a manufacturer asks to customer to share the price and

ships the product at the customer's expense. Some pricing strategic and tactic practices of businesses from different countries are those from Box 4.5.

Box 4.5. Practices of green pricing

Companies can undertake pricing actions such as rebates for returning recyclable packaging and charging higher prices for environmentally unfriendly products. Coca Cola established a "recycle bank" as a form of rewarding U.S. customers for their bottle-recycling efforts. In the UK, Mars & Spencer encourages the use of environmentally friendly shopping bags. Such a method is also used in Romania where all plastic bags must be paid by customers of all hyper and super markets.

From a strategic perspective, businesses can deploy techniques such as life-cycle costing, e. g. incorporating product costs from research to disposal to determine prices for products within the sustainability context. Customers of the German utility E. ON have the option to purchase green electricity at higher prices to reflect costs of sustainable generating power. Similarly, Seventh Generation sells a range of environmentally friendly household cleaners at considerable higher prices than regular alternatives to reflect the higher product costs.

Source: Eneizjan, M. B.; Wahab, K. A. (2016), "Effects of Green Marketing Strategy on the Financial and Non-Financial Performance of Firms: A Conceptual Paper", Arabian Journal of Business Management Review, 6:254

The rent/lease pricing. The consumer rents or leases a product for a preset period without owning it. This has three implications: managed take-backs already built into it from the start, product upgrades can be had over time and products with lesser degree of usage present an ideal case for such type of pricing.

References

- Anhuja, Komal (2015), "A study of green advertising and its impact on consumer purchase intention", *International Journal of Applied Research*, 1(7), pp. 39-43
- Aresculatne, Dinuk; Yazdanifard, Rashad (2014), "How Green Marketing Can Create a Sustainable Competitive Advantage for a Business", *International Business Research, Canadian Center of Science and Education*, Vol. 7, No. 1, December, pp. 130-137

- Benaceur, Zahra Fatima; (2016), "Le marketing responsable : une contribution du marketing dans le developpement durable", *Recherches economiques et manageriales*, No. 19, Juin
- Brahimi, Garg (2014), "Green Marketing: Buzzword for New Age Marketers in India ", *The International Journal of Business and Management*, vol. 2 Issue. 9, September, pp. 185-190
- Cox, J. Matthew (2008), "*Sustainable Communication: A Study of Green Advertising and Audience Reception within the Growing Arena of Corporate Social Responsibility*". Case Study: *British Petroleum*, Earth and Environment, University of Leeds, 3, pp. 32-51
- Danciu, Victor (2006), "*Marketing ecologic. Etica verde a productiei si consumului*", Editura Economica, Bucuresti, pp. 131-234
- Danciu, Victor (2012), "The Green Marketing at Work: The Push - Pull Effects of the Green Communication Strategies", *Romanian Economic Journal*, 15(45), pp. 3-24
- Danciu, Victor (2015), "Successful Green Branding: A New Shift in Brand Strategy, *Romanian Economic Journal*, 18(56), pp. 47-64
- Diglel, Aman; Yazdanifard, Rashad (2014), "Green Marketing: It's Influence on Buying Behavior and Attitudes of the Purchasers towards Eco - Friendly Products", *Global Journal Management and Business Research*, Vol. VII, Issue IX, Version I, pp. 12-17
- Eneizan, Mohammad Bilal; Wahab, Kalsom; Bustaman, Ahmad; Salwa, Ummi (2015), "Sustainability, green marketing and green economy. Literature review", *International Journal of Applied Research*, Vol. 1, Issue 12, Part N, pp. 954-958
- Eneizan, Mohammad Bilal; Wahab, Kalsom (2016), "Effects of Green Marketing Strategy on the Financial and Non-Financial Performance of Firms: A Conceptual Paper", *Arabian Journal of Business Management Review*, 6:254
- Faix, W.G. ; Kurz, R. ; Wichert, F. (1995), « *Inovation Zwischen Oekonomie und Oekologie* », Moderne Industrie Verlag, Landsberg/Lech
- Hopfenbeck, Waldemar (1994), « *Umweltorientiertes Management und Marketing. Konzepte, Instrumente, Praxisspiele* », 3. Auflage, Moderne Industrie Verlag, Landsberg/Lech
- Jarin, Asma (2014), "Ecological Marketing Practices of Creating Competitive Advantage", *European Journal of Business and Management*, VOL.6, No. 27, pp. 138-144
- Ottman, Jaqueline (1998), "*Green Marketing: Opportunity for Innovation*", McGraw Hill

- Ottman, Jaqueline (2011), *"The New Rules of Green marketing. Strategies, Tools and Inspiration for Sustainable Branding"*, Greenleaf Publishing, Sheffield, UK
- Morris, Kate (2016), "It's not easy choosing green", 30 September, <https://www.choice.com.au/shopping/packaging-labeling-and-advertising/labeling/articles/green-claims>
- Pankaj, Aurora (2012), "Six Sustainability embedded Pricing Strategies", January 23, <https://linkingsustainability.com/2012/01/23/six-sustainability-embedded-price-strategies/>
- Pap, Ana; Ham, Marija; Turalija, Ana (2012), "Product Policy Management as Part of Sustainable Marketing Strategy", *Interdisciplinary Management Research*, XI, pp. 131-140
- Peattie, Ken; Belz, (2010), "Sustainability Marketing; A global Perspective",
- Reutlinger, Janina (2012), *"Sustainable Marketing. The Importance of Being a Sustainable Business"*, Lahti University of Applied Sciences
- Sandeep, Tiwari; Durgesh, Mani Tripathi; Upasana, Srivastara; Yadav, P.K. (2011), "Green Marketing - Emerging Dimensions", *Journal of Business Excellence*, Vol. 2, Issue 1, pp.18-23
- Sarkar, Anirban (2012), "Green marketing and Sustainable Development - Challenges and Opportunities", *International Journal of Marketing, Financial Services and Management Research*, Vol. 1, Issue 9, September, pp. 120-134
- Saroha, Rituraj (2014), "Green Logistics and its Significance in Modern Day Systems", *International Review of Applied Engineering Research*, Vol. 4, No. 1, pp. 89-92
- Savo, Jonne (2014), *"Impact of increased awareness on product marketing"*, LUT School of Business
- Speer, Matthew (2011), "What is a Green Product?", *iSustainable Earth.com*, December 29
- Schmuk, Desiree; Matthes, Jorg; Naderer, Brigitte; Beaufort, Maren (2017), "The Effects of Environmental Brand Attributes and Nature Imagery in Green Advertising", *Environmental Communication*, 05 May, pp 1-16
- Suraya, R.; Banu Vijaya P. (2014), "Introduction to Green Marketing", *International Journal of Economics and Management Studies*, Vol. 1, Issue 2, October, pp. 1-7 Vol. 1, Issue 2, October, pp.1-7
- Sudhalakshmi, K.; Chinandorai, M. K. (2014), "Green Marketing Mix - A Social Responsibility of Manufacturing Companies", *Global Journal of Commerce and Management Perspective*, Vol. 3(4), July-August, pp. 109-117

*** “25 Eco - friendly Products for Your Daily Life”, www.conserve-energy-future.com/25-green-eco-friendly-products.php

*** “Promoting Sustainable Consumption”, OCDE, 2008