

**СТРАТЕГИИ „ЗЕЛЕН МАРКЕТИНГ“**  
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**GREEN MARKETING STRATEGIES**  
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**Abstract**

*This is a conceptual paper to study the effects of green marketing strategy on the firms' performance. The paper aims at presenting the reviews of the literature on the green marketing strategy and analyses factors that will influence the firms' performance. As green marketing strategy become increasingly more important to firms adhering to a triple-bottom line performance evaluation, the present paper seeks to better understand the role of "green marketing mix" as a marketing strategy. The conclusion that was drawn is that, green product, green price, green distribution, green promotion green people, green process, and green physical evidence have a positive effect on the firms' performance.*

**Keywords:** *Green marketing strategy, Firm performance, Green marketing, Green marketing mix, Green product*

**JEL Codes:** *M31*

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**1. Introduction**

In the industrialised nations around the world, both businesses and consumers are concerned about the environment and the future of our planet. In the business arena this concern has translated into environmental or green marketing. Marketers viewed this phenomenon as offering business opportunities, and a number of organisations developed and implemented short-term orientated reactive or long-term orientated proactive environmental strategies.

As the competitive landscape is being drastically changed by the increasing concern toward environmental sustainability, firms are beginning to determine how the adoption of "green" marketing practices can benefit or harm their performance. The increasing sensitivity of the public, strictness of regulations, and amount of pressure from stakeholders have driven professionals to consider "green" issues in their corporate decisions. Environmental products and services, such as green vehicles, have also attracted increasing attention from customers. However, although corporate managers are beginning to include such issues in their agenda, the sustainability of their marketing strategies has been insufficiently documented in empirical studies. Therefore, the effects of adopting environmental marketing practices remain relatively unknown among the managers and policy makers of contemporary firms.

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## 2. Literature review

As consumers become more environmentally conscious, businesses must adapt a green strategy. Small businesses seeking to leverage the power of "going green" should carefully coordinate genuine actions and marketing strategies.

1. **Successful Market Segmentation and Concentration on Selected Market Segment:** A company needs to focus on the market comprising of the green consumers. The company can run advertisement for its products in green focussed media. It can also innovate of a new green product along with its existing products. Further, it can altogether launch a new strategic business unit aimed at green.

2. **Developing a New Generation of Green Product:** Insufficient production processes and poor designing of products can be very harmful for the environment that is why the companies should consider possible negative effects on the environment and minimize them at the beginning of New Product Development.

3. **Green Positioning:** Companies interested in positioning themselves as green should make sure that all the activities that it is involved in supports its projected image, so as not to cheat the consumers as well the media.

4. **Applying Green Promotion:** Successful promotion depends on choosing the right strategy and media for promotion of green products. Any kind of green promotion becomes neutral unless it supported by corresponding corporate activities.

5. **Green Packaging:** A business that manufactures and packages products can convert to eco-friendly packaging. Converting to biodegradable packaging provides customers with a visible symbol of the company's commitment to "going green". The business can also leverage the eco-friendly packaging as part of its advertising program to help draw in new environmentally conscious customers.

6. **Deciding about Green Prices:** Consumers today are willing to pay only a small premium or no premium at all for the green products. Pricing may become a cause of concern when it comes to selling the product in the market, as its manufacturing may be expensive due to new technology involved. It therefore becomes the responsibility of the manufacturer to decide upon the pricing of the product.

7. **Applying "Green" Logistics:** Distribution of goods can also be designed such that they leave minimum impact on the environment. Mere reduction in packaging and wrapping can contribute to a large extent in reducing the waste and saving paper. Efficient inventory management can also contribute in minimizing wastage in a big way.

8. **Changing the Attitude towards Waste:** Generated always does not necessarily have to be an unhelpful result of production processes. A newer understanding of the idea of waste has given birth to a new market of recycled products. Also it may be so that which is deemed waste for a company may be a raw material for another.

## 3. Methodology

Some of the other successful strategies of Green Marketing are as follows: Show potential customers that the company follow green business practices and could reap more green on bottom line. For green marketing to be effective, company have use following strategies too.

1. **Being genuine:** The companies are actually doing what the business claim to be doing in the green marketing campaign and the rest of business policies are consistent with whatever the company

is doing that's environmentally friendly. Both these conditions have to be met for the business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

2. **Educate your customers:** It is not just a matter of telling people about to know whatever the companies are doing to protect the environment but also a matter of telling them to know why it matters and its importance.

3. **Give your customers an opportunity to participate:** Personalizing the benefits of environmentally friendly actions, normally through letting the customer take part in positive environmental action.

4. **Know your customer:** To sell a greener product to consumers, first the company need to make sure that the consumer is aware of and concerned about the issues that its product attempts to address.

5. **Empower consumers:** Make sure that consumers feel, by themselves or in concert with all the other users of the company's product, that they can make a difference. This is called empowerment and it's the main reason why consumers buy greener products.

6. **Be transparent:** Consumers must believe in the legitimacy of the product and the specific claims the companies are making. Hence complete information need to be disclosed to make environmentally friendly economy.

**Green Marketing Mix:** Every company has its own favourite marketing mix. Some have 4 P's and some have P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner.

1. **Product:** The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources.

2. **Price:** Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

3. **Promotion:** There are three types of green advertising:

- Ads that address a relationship between a product/service and the biophysical environment.
- Those that promote a green lifestyle by highlighting a product or service.
- Ads that present a corporate image of environmental responsibility.

4. **Place:** The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

**Strategies:** The marketing strategies for green marketing include:

1. Market Auditing (including internal and external situation analysis).
2. Develop a marketing plan outlining strategies with regard to 4 P's
3. Implement marketing strategies.
4. Plan results evaluation

#### 4. Analysis and discussion

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

1. **Opportunities** - As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing non environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

2. **Government Pressure** - As with all marketing related activities, governments want to "protect" consumer and society; this protection has significant green marketing implications. Government regulations relating to environmental marketing are designed to protect consumers in several ways,

- Reduce production of harmful goods or byproducts Modify consumer and industry's use and/or consumption of harmful goods
- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Government establish regulations designed to control the amount of hazardous wastes produced by firms.

3. **Competitive Pressure** - Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviours and attempt to emulate this behaviour. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour.

4. **Social Responsibility** - Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. There are examples of firms adopting both strategies.

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future? Business scholars have viewed it as a "fringe" topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of "give customer what they want" and "sell as much as you can". Evidence indicates that successful green products have avoided green marketing myopia by following three important principles:

1. **Consumer value positioning:** Design environmental product to perform as well as (or better than) alternatives Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments. Broaden mainstream appeal by bundling consumer desired value into environmental products.

2. **Calibration of consumer knowledge:** Educate consumers with marketing messages that connect environmental attributes with desired consumer value. Frame environmental product attributes as "solutions" for consumer needs. Create engaging and educational internet sites about environmental products desired consumer value.

3. **Credibility of product claim:** Employ environmental product and consumer benefit claims that are specific and meaningful. 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 and internet communication network with compelling, interesting and entertaining information about environmental products.

## 5. Conclusion

This paper extensively reviews the literature in the field of green marketing strategy and highlights that Firms that adopt green marketing strategy (green product, green price, green distribution, green promotion green people, green process, and green physical evidence) are expected to generate more profits than those firms that do not adopt such strategies. The current paper is

expected to contribute to the extant body of literature that focuses on green marketing strategy, and the financial and non-financial performance of firms. Despite promotion from scholars and policy makers, several fundamental issues in green marketing, such as the relationship between green marketing strategy and firm performance, remain under investigated. The reviewed and analyzed factors green product, green price, green distribution, green promotion green people, green process, and green physical evidence indicated that the green marketing strategy effect positively on the financial and non-financial performance of firms.

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