GAINING COMPETITIVE ADVANTAGE THROUGH GREEN MARKETING

How green marketing is used as a competitive advantage?

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Abstract

The research question how green marketing is used as a competitive advantage was answered by the analysis of the multiple case-study of two organizations of the boardsports industry, Jade and Notox. The comparison between theories and interviews revealed that, by doing green branding, having eco-labels, and implementing the five I’s, Jade and Notox are differentiating. This differentiation provides them a competitive advantage. In addition, Jade and Notox innovate in green materials and processes which, coupled with eco-labels, maintain the differentiation and generate a sustainable advantage.

*Keywords:* green marketing, competitive advantage, differentiation, green branding, eco-label, five I’s, boardsports industry, Jade, Notox.
# Table of Content

1. **Gaining Competitive Advantage Through Green Marketing**
   1.1. Background 6
   1.2. Problem 8
   1.3. Purpose 8
   1.4. Definitions 9

2. **Frame of References**
   2.1. Competitive Advantage 10
      2.1.1. Theoretical introduction. 10
      2.1.2. Gaining competitive advantage. 11
      2.1.3. Sustaining competitive advantage. 15
   2.2. Green Marketing 18
      2.2.1. Theoretical introduction. 18
      2.2.2. Five I’s of green marketing. 19
      2.2.3. The green marketing grid. 20
      2.2.4. Eco-labels. 23
      2.2.5. Green branding. 25

3. **Method**
   3.1. Method Approach 28
   3.2. Type of Research 29
   3.3. Population and Sample 30
   3.4. Instruments to Collect Data 31
      3.4.1. Interviews. 31
3.4.2. Interview structure.

3.4.3. Secondary data.

3.5. Data Processing and Analysis

4. Empirical Study

4.1. Case Study of a Small Local Boardsports Company: Jade Kiteboards and Surfboards

4.1.1. Presentation of Jade.

4.1.2. Jade’s interview topics.

4.2. Case Study of a Medium Global Boardsports Company: Notox (Lab Notox)

4.2.1. Presentation of Lab Notox.

4.2.2. Lab Notox interview topics.

5. Analysis of Empirical Data

5.1. Analysis of How Boardsports Companies Use Green Marketing

5.1.1. How boardsports companies implement green branding.

5.1.2. How boardsports companies implement the five I’s

5.2. Analysis of How Boardsports Companies Use Green Marketing as a Competitive Advantage

5.2.1. Green marketing strategy’s motivations, the fit with competitive advantage.

5.2.2. Competitive advantage strategy induced by green marketing.

5.2.3. Green marketing’s use of the value chain to gain competitive advantage.

5.2.4. The use of green marketing to reach sustainable advantage.

6. Conclusion

6.1. Conclusion of How Green Marketing Is Used as a Competitive Advantage
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2. Suggestions</td>
<td>55</td>
</tr>
<tr>
<td>7. Reference List</td>
<td>57</td>
</tr>
<tr>
<td>8. Attachment 1</td>
<td>64</td>
</tr>
<tr>
<td>9. Attachment 2</td>
<td>65</td>
</tr>
<tr>
<td>10. Attachment 3</td>
<td>66</td>
</tr>
<tr>
<td>11. Attachment 4</td>
<td>67</td>
</tr>
<tr>
<td>12. Attachment 5</td>
<td>68</td>
</tr>
<tr>
<td>13. Attachment 6</td>
<td>69</td>
</tr>
<tr>
<td>14. Appendix 1</td>
<td>70</td>
</tr>
<tr>
<td>15. Appendix 2</td>
<td>71</td>
</tr>
<tr>
<td>16. Appendix 3</td>
<td>72</td>
</tr>
</tbody>
</table>
1. Gaining Competitive Advantage Through Green Marketing

1.1. Background

Companies and organizations are today in a business environment which became more committed to environmental issues. The reason is that stakeholders’ expectations regarding sustainability and environmental protection are increasing. Consumers’ wants are more oriented to sustainable and eco-friendly products (Siegenthaler, 2010). Employees’ management style of environmental organizations is acclaimed and spread. National and international legislations are getting tougher concerning environmental care (Rodríguez-Ibeas, 2006).

In fact, the general public is now more concerned about environmental issues; that has direct influences in the same direction on economics and other aspects of the organizations’ environment (Rodríguez-Ibeas, 2006). Brorson and Larsson (2006) explained that organizations have to integrate environmental care as part of their operations due to the reason that they are in a competitive and global settings environment.

This care for environmental issues began with the publication of The Population Bomb by Paul Ehrlich in 1969 and Limits to Growth in 1971 by the Club of Rome (Ramirez, 2012). Then, since the early eighties, the ecological awareness by the society is increasing with the introduction of the sustainable development’s concept (Schleicher, 1989). Three trends have been mainly enlightened: the warning on the scarce of natural resources, the reasons of global warming and its negative consequences, and the loss of biodiversity (Nagra, 2010). During the last few years, this phenomenon became more important and was spread in most of the countries and most of the companies (Tjärnemo, 2001).

Organizations, especially in the sports industry, are now considering that they have an impact in short and long term on the environment and its resources. They are adapting their businesses and processes according to it, to the consumers demand, and the legislation (Berkhout, 2012). As Miles and Covin (2000) cited, social, economic, and global environment since the 1990’s have resulted in an environmental performance becoming an increasingly important component of a company’s
reputation. The two authors also defined the corporate reputation as an intangible asset that is related to marketing and finance performance.

Today, the natural environment is an important arena for economy and competition. Ecological issues regarding energy, natural resources, pollution, and waste offer both competitive opportunities and constraints. They are changing the competitive landscape in several industries (Shrivastava, 2007).

In order to answer the switched demand successfully, organizations are implementing changes referring to green marketing theories and tools (Berkhout, 2012). Environmental issues became a competitive aspect for organizations. The legal requirement is answered by threshold resources. For that reason, organizations can gain competitive advantage by managing ecological variables (Shrivastava, 2007). The way environmental issues are handle by an organization can become a core competence for it.

Incorporating this concept of green, environmental care, in the organizational process was, in the origin, done without the ambition of creating growth but respecting the environment (Rodríguez-Ibeas, 2006). Nevertheless, when more organizations started implemented it, they aimed to gain competitive advantage from their competitors, claiming that their products and services were less damaging the environment than their competitors’ products and services (Peattie, 1995). According to Peattie (1995), this behaviour was more tactical than implementing real environmental oriented changes.

With the raise of the environmental awareness, some non-environmental organizations implemented a green communication about products or services without green attributes (Rodríguez-Ibeas, 2006). These organizations are realizing green washing.

Green marketing defines marketing activities of an organization which are associating sustainable development with business growth opportunities (Clarke-Hill, et al., 2008).

Our research question for this thesis was to explore how organizations are using green marketing as a competitive advantage?
1.2. Problem

For Farnsworth (2000), the environmental movement's popularity makes it tempting for those with just a few energy-efficient or green-lite products to constitute environmentally sound construction. This practice is what is called green washing: disinformation on the environmental care accuracy (Laufer, 2003). Montiel and Ramus (2005) explained green washing as resulting by the fact that companies are not required by law to publish environmental policy statements or to verify if these statements are true, by using independent third parties. In fact, external stakeholders often wonder, when a company claims being environmental committed, if its products or services are truly respecting the environment (Montiel & Ramus, 2005).

Green washing is creating doubts to stakeholders which makes more difficult for organizations to implement a green marketing strategy, while having a real environmental care approach. Green washing has a triple negative effect on organizations, even for organisations which have not green washing practices. These effects are concerning: image, satisfaction and trust, which are the three drivers of brand equity (Chen, 2010).

However, regarding to the demand in green products and green services, green marketing remains a key factor in order to gain competitive advantage; “environmental efficiencies are a way to gain cost avoidance and competitive advantage” (Wever, 1996, p. 115).

For an organization, having eco-label certified products and services are an accurate way to prove that they are environmental care committed (Welford, 1995). Eco-label appears has a tool to fight against green washing. Green marketing, appearing as a way to gain image, trust, and confidence, leads an organization to a situation of advantage over its competitors.

How organizations are using green marketing as a competitive advantage? This fundamental question was what this thesis aimed to find an answer to.

1.3. Purpose

As seen before, eco-labelling, among green marketing, is a tool to establish trust, creating an asset for future growth (Pickett-Baker & Ozaki, 2007).
This green marketing tool permits to create one of the prerequisites of the establishment of competitive advantage.

The purpose of this thesis was to identify the competitive advantage process through green marketing.

In order to realize this goal, we did a multiple case-study in the field of the boardsports industry.

1.4. Definitions

In order to answer the question how organizations use green marketing as a competitive advantage, we concentrated our work on two main theories: the competitive advantage and the green marketing.

The relationships between these two theories concern the French boardsports industry and its organizations. The analysis and the conclusion we made are limited to the companies of our multiple case-study.

This thesis did not discuss about: the validity of green marketing, demonstrate that an organization is realizing green washing or if an eco-label pledges green washing.

The aim of this work was to strive to answer the question: how can organizations gain competitive advantage through green marketing? It was not to answer any other question or to make any other conclusion out of this purpose.

This work treated about the current situation in 2012. No conclusion can be made about the past or future from this work.

2. Frame of References

In the frame of references, we presented the competitive advantage theory and its strategies. The second part of the frame of references is dedicated to the concept of green marketing.
2.1. Competitive Advantage

2.1.1. Theoretical introduction.

“Competition is at the core of the success or failure of firms” (Porter, 1985, p. 1). Competition determines if a business is appropriated or not. This means according to Porter (1985), that an uncompetitive business cannot survive or work well. The key elements to evaluate organizations performance and observe if a business is in an appropriate situation are: innovation, cohesive culture and good implementation (Porter, 1985).

In 1985, Porter cited competitive advantage as describing the way a firm can choose and implement a generic strategy to achieve and sustain competitive advantage. The author sees competitive advantage as the interplay between cost leadership and differentiation with the scope of a firm’s activities. That explains why Doyle and Stern (2006) integrated competitive advantage as one of the five aspects of marketing with: successfully meeting the goals of an organisation, focussing on needs, organisation and considering marketing as part of the business’ philosophy. For these two authors, marketing is not only about being able to meet customer needs, but about doing better than competitors. They identified the choice of a supplier by customers as selecting the best value.

Rainbird and Walters (2004) identify the value as main determinant of the buying process; it is what buyers are willing to pay. They defined the superior value perceived by the customer as: offering lower price than competitors for equivalent benefits or providing unique benefits or providing unique benefits more than offset a higher price.

If a company is unable to have a competitive advantage, offer a better value than what competitors do to customers, the direct consequence will be the loss of market shares (Coda, Minoja, & Zollo, 2010). When facing this kind of difficulty, “the organisation has few choices but cutting prices and profit margins in order to reduce this loss of market” (Doyle & Stern, 2006, p. 47). Here is the reason why competitive advantage is, or should be, at the centre of every firm’s strategy. Competitive strategy is the search for a favourable competitive position in an industry, the fundamental arena which competition occurs. It “aims to establish a profitable and sustainable position against the forces that determine industry competition” (Porter, 1985, p. 1). A competitive
strategy must be chosen in the regard of two variables. The first one is the attractiveness of an industry in a long-term profitability perspective and the factors determining it. The second one is what is determining the competitive rivalry and the competitive position of the firm among its industry (Porter, 1985). Strategy is used to approach industry attractiveness and competitive position change (Coe and Thompson, 1997). The competitive strategy is also chosen according to how a firm aims to shape industry attractiveness and competitive position (Coe and Thompson, 1997).

2.1.2. Gaining competitive advantage.

2.1.2.1. The value chain

As we cited before, according to Porter (1985), there are two ways to reach competitive advantage: cost leadership and differentiation. To find the way to use and enhance competitive advantage, firms are using a basic tool: the value chain (attachment 1).

The value chain is a tool that divides a business into distinct activities as following: designing, producing, marketing, and distributing its products or services (Porter, 1985). In order to be an efficient tool, the value chain has to be constructed at the level of the business unit; and the activities must be isolated when being technologically and strategically distinct (Lancaster & Walters, 2000). The value chain “breaks down what a company does into discrete activities” (Wever, 1996, p. 81). It separates the firm’s activities into two groups, the primary and support activities. The primary activities include: inbound logistics, operations, outbound logistic, marketing and sales, and services (Porter, 1985). The support activities are: procurement, technology development, human resources management, and firm infrastructures (Porter, 1985).

Then the scope of a firm’s activities influences these value chain’s areas (Glaser, 2006). “To gain competitive advantage, the value chain has to be tailored and the scope has to be widened” (Porter, 1985, p. 34). Value is added at each step along the chain (Wever, 1996). The exploitation of interrelationship among the value chain that serve different segments, industries or geographic areas is the way scope can generate competitive advantage (Glaser, 2006). It is important for an organization to divide its activities into the value chain for the reason that it permits to identify the linkage among the activities that are central to competitive advantage (Glaser, 2006). If a firm has a lack of
competences in one or some activities of the value chain, or a shortage of links between them, it can do coalitions with other firms in the aim to palliate internal inadequacy and externally reach competitive advantage (Glaser, 2006).

2.1.2.2. The three generic strategies: cost leadership, differentiation, and focus.

“Competitive advantage is not the goal in itself, but a first step to reach sustainable competitive advantage” (Porter, 1985, p. 11). To realize it, firms can use the two basic types, low cost or differentiation (Day, 1989). These two types are both the result of using better than its rivals the five competitive forces, suppliers, buyers, new entrants, substitutes, and industry, by a firm (Porter, 1985). When these two types are combined with the scope of activities, they lead to three generic strategies that are cost leadership, differentiation and focus (Day, 1989). The last one, the focus strategy, has two alternatives: cost focus and differentiation focus (Porter, 1985).

The three generic strategies (attachment 2) emphasize that the competitive advantage is at the heart of every strategy. Competitive advantage is resulting in how a firm choses to attain it.

“Cost leadership strategy is a firm sets out to become the low-cost producer in its industry” (Porter, 1985, p. 12). The sources of cost advantage are varied and depend on the structure of the industry (Prajogo, 2007). For instance, it can be the pursuit of economies of scale, proprietary technology, and preferential access to raw materials (Porter, 1985, p. 99-111). In more cases, becoming a low-cost leader involves to exploit all these sources of cost advantage or as many as possible according to the industry (Prajogo, 2007). When a firm is achieving to obtain and sustain cost advantage, it is becoming an “above-average performer in its industry” (Porter, 1985, p. 13). A difficulty in cost leadership strategy is that the firm cannot ignore the bases of differentiation (Prajogo, 2007). Cost leaders are in most cases competing on the standard products in their industries but organizations need to be aware of the differentiation process and evolutions lead by competitors (Prajogo, 2007). In addition, they have to monitor the source of value of products or services bring to customers “in order to foresee a shift of demand” (Porter, 1985, p. 100). When different firms are competing for cost leadership, market share is the most crucial criteria of success or failure (Baack & Boggs, 2008). Nevertheless, a single firm following a cost leadership strategy into an industry, where
other firms are following different strategies, has fewer advantages to reach competitive advantage than being in competition on cost leadership (Baack & Boggs, 2008). Indeed, if the other firms of an industry are oriented on differentiation and innovation, the changes of technology, need or others will be too important to able the low-cost firm to follow and adapt to the gap (Porter, 1985).

Differentiation is when an organization seeks to be unique in its industry or market along some dimensions that are widely valued by buyers (Borna & Chapman, 1993). It “selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs” (Porter, 1985, p. 14). The differentiation strategy is when buyers perceive a superior value for a product’s or service’s attribute of an organization than the perceived value for the competitors’ one (Borna & Chapman, 1993). Differentiation is rewarding the organization capacity to be unique by allowing it to clench a premium price (Davies, Douglas, & Douglas, 2010).

The differentiation can be based on the product itself with its features and performance offered; the services provided such as credit, delivery or repair; the intensity of an activity adopted like the rate of advertising spending; the content of an activity, for example the information provided in order processing; the technology employed and performing an activity; the quality of inputs; the procedures governing the actions of the personnel; the skills and experience of personnel; and the information employed to control activity, for instance the variables used to control a chemical reaction or the temperature. (Porter, 1985, p. 124-125)

Whatever the way used to reach differentiation advantage, it must lead to a price premium, which is more important than the cost of differentiating for an organization (Porter, 1985). That price positioning is important for the reason that an inferior price will not reflect correctly the higher value and then lead to cancel the benefit of differentiating for the organization (Borna & Chapman, 1993). Another price positioning than price premium, lower, is then relevant of another strategy than differentiation (Borna & Chapman, 1993). The last key element when following the differentiation strategy is the fact it requires that a firm choose attributes in which to differentiate itself which are different from its competitors’ attributes, even if the competitors have also chosen to follow a differentiation strategy, the firms must compete on distinct differentiated attributes (Davies et al.,
The aim for the firm is to be truly unique (Davies et al., 2010). It is a prerequisite for justifying premium price (Davies et al., 2010). Contrary to the low-cost strategy, it can be more than only one successful differentiation strategy as there are more than one attribute which the buyers value (Porter, 1985).

The focus strategy is different from the two previous strategies because it rests the choice of a narrow competitive strategy within an industry, instead of applying it to the whole industry (Hahn & Powers, 2004). “The focusing firm selects a segment or group of segments in the industry and tailors its strategy to serve them to the exclusion of others” (Porter, 1985, p. 15). The chosen strategy is optimised to the targeted market segments even if the organization does not possess an overall competitive advantage (Hahn & Powers, 2004). In the cost focus variant, the firm seeks a cost advantage in its targeted market segments (Hahn & Powers, 2004). It exploits differences in cost behaviour in some segments (Porter, 1985). In the differentiation focus, the firm seeks differentiation in its targeted market segments (Hahn & Powers, 2004). It exploits the special needs of buyers in certain segments (Hahn & Powers, 2004). These two variants are different from the two other strategies in the fact that the strategy applied by the firm differs in the targeted segments from the rest of the industry; but the two focus strategy’s variant are similar on that point (Hahn & Powers, 2004). The focus strategy can only be applied if the buyers in the targeted market segments have unusual needs compare to buyers in the other market segments; or the production and delivery system that best serve the target market segments differs from the other industry’s market segments (Ensign, 1998). These prerequisite mean that the focused market segments are poorly served by competitors who broadly target and serve them as they do for the rest of the industry (Ensign, 1998).

According to Porter (1985), cited by Hahn and Powers (2004, p. 44), “if a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy”.

**2.1.2.3. Measuring customer satisfaction.**

Doyle and Stern (2006), from their point of view, highlight that companies have to measure the degree of customer satisfaction according to two levels, in order to reach competitive advantage.
The first level is referring to the company’s own business; the second one is measuring this against competitors (Doyle & Stern, 2006). To answer the need of organizations to know customers satisfaction at these two levels, they are implementing competitive benchmarking. Doyle and Stern (2006) explained competitive benchmarking as the fact of comparing customer satisfaction with the products, services and relationships of the company with those of key competitors. Competitive benchmarking involves five steps: determine the critical success factors, measure how customers perceive the business along these critical success factors, measure how customers perceive key competitors along these factors, measure the performance gap and produce action plan (Doyle & Stern, 2006). The aim of competitive benchmarking is to induce managers to focus externally on the customers and the competition (Elmuti & Kathawala, 1997). “Competitive benchmarking destroys complacency and committed to a series of specific actions targets providing for continuing improvement” (Doyle & Stern, 2006, p.48). The two authors recognize as main goal of competitive benchmarking to force organizations to be concerned by their ability to satisfy customers and also the abilities of competitors comparing to themselves and with the same criteria. Benchmarking can be considered as a “quality improvement process” (Bagchi, 1997).

The notion behind benchmarking is the acceptance of the fact that some organization or company somewhere in the world has developed the same or a similar process or product that is more effective and superior to anyone else. (Bagchi, 1996, p. 5)

2.1.3. Sustaining competitive advantage.

2.1.3.1. Threats to sustain competitive advantage.

“A generic strategy does not lead to above average-performance unless it is sustainable vis-à-vis competitors” (Porter, 1985, p. 20). This means that a firm implementing one of the strategies presented above, aims to reach competitive advantage and keep it durably. “The sustainability of the three generic strategies demands that a firm’s competitive advantage resists erosion by competitor behaviour or industry evolution” (Porter, 1985, p. 20).

However, every strategy involves some risks when trying to sustain it (Thompson & Coe, 1997).
The cost leadership strategy can be imitated by competitors, the technology can change, the other bases for cost leadership erode, cost focusers achieve lower cost in focused segments, and the proximity in differentiation is lost. (Porter, 1985, p. 21)

The risks of differentiation are imitation by competitors, the bases for differentiation become less important to buyers, the cost proximity is lost, and differentiation focusers achieve even greater differentiation in targeted segments (Heywood & Kenley, 2008).

For the focus strategy, the risks are that it is imitated, the targeted segments become structurally unattractive (structure erodes or demand disappears), the broadly competitors overwhelm the segment, and new focusers sub-segment the industry (Porter, 1985).

“The sustainability of a generic strategy requires at a firm makes more difficult for competitors to imitate the strategy, using barriers” (Porter, 1985, p. 20). As the barriers are never insurmountable by competitors, the usual way is to give them a moving target (Sheehan, 2009). Investing is the key to continually improve the firm’s competitive advantage position (Sheehan, 2009). The threat can come from firms following the same strategy but also from firms following other strategies (Heywood & Kenley, 2008). For example, a firm pursuing overall differentiation can be attacked by firms who open a large cost gap (Porter, 1985). Then will result a shift in the buyers’ needs, valuing more the price than the product or service features (Sheehan, 2009).

The changes in industry structure, the evolution, can affect the bases on which generic strategies are built and thus alter the balance among them. It can alter the sustainability of a generic strategy or the size of the competitive advantage that results from it. (Porter, 1985, p. 22)

Organizational structure can also be a threat for sustainable competitive advantage (Heywood & Kenley, 2008). Cost leadership usually implies tight control system, overhead minimization, pursuit of economies of scale, and dedication to the learning curve; an unfitting organizational structure with these requirements may affect at term competitive advantage (Heywood & Kenley, 2008). Applying this organizational structure to a firm attempting to differentiate itself could be counterproductive and have the opposite effect of what it has in a low-cost strategy firm (Heywood & Kenley, 2008). Each strategy requires a specific organizational structure (Heywood & Kenley, 2008).
Another threat for competitive advantage is an unfitting planning process (Koh & Simpson, 2007). Competitive advantage has to be the centrepiece of a firm’s strategic plan (Koh & Simpson, 2007). “A superior performance can only be reach if competitive advantage has a pivotal role among the generic strategy” (Porter, 1985, p. 25). According to Wever (1996, p. 94): “planning process is a key factor for reaching competitive advantage because during it, managers examine options, resources needs, risks, benefits, and payback associated with each”. A good planning process able to reflect the most critical customer and stakeholder needs, respond to new market opportunities and competitors’ strategies, strengthen capabilities and the core competences, provide for both long and short term needs, and consider risk and benefit in order to be cost effective (Wever, 1996).

For Barney (1997), if the threats and opportunities that face a firm in its competitive environment remain relatively stable, then a firm valuable, rare, and costly-to-imitate resources will be able to continue to exploit them to gain a competitive advantage. This durable competitive advantage becomes a sustainable advantage (Barney, 1997). “This unique resources and capabilities, when exploited and modified to fit with the environment changes, able to maintain sustained competitive advantage” (Barney, 1997, p. 171).

2.1.3.2. Ways to sustain competitive advantage.

“A firm owning relevant capabilities, core competencies, and constantly adapt them to the arrays of changing environment is on the way to sustainable advantage” (Hall, 2006, p. 610).

When achieving competitive advantage in following a low-cost strategy, the only issue in order to maintain it and make it sustainable is to keep this cost leadership in the industry (Reimann, 1989). When realizing an overall low-cost strategy, it is important to avoid any gap with other firms doing focus low-cost (Reimann, 1989). In the opposite, when realizing focused low-cost strategy it is important to maintain a gap with other firms doing low-cost strategy (Beheshti, 2004). It is also important change the product features according to the needs evolution (Beheshti, 2004). Nevertheless, los-cost sustainable advantage is nowadays criticised by some authors such as Oliver (2000) who sees too many threats and market changes to be able to achieve sustainable competitive advantage with a generic low-cost strategy.
Through differentiation strategy, sustainable advantage can be reach in creating difficulties to imitate, creating a situation of imperfect mobility, and establish a lower cost position (Reimann, 1989). For DeFillipi and Reed (1990), tacitness, complexity, and specificity, with the use of patent for instance, among the firm’s skills and resources permit to generate ambiguity and raise barriers to imitation. Imperfect mobility can be achieve through monopoly, limited access to resources, and contracts and laws (Peteraf, 1993).

The last way to obtain a sustainable competitive advantage is establishing a lock-in strategy (Paswan, 2006). It involves four alternatives: the size or market dominance, the first-mover dominance, the self-reinforcing commitment, and insistence on preservation of position (Porter, 1985). Leaders in market-share or first firm coming into a market have a benefit of image compare to their competitors which can be a source of sustainable competitive advantage (Burgelman, 2002). Self-reinforcing commitment implies that the more customers are using the firm’s product or service, the more new customers are then conduced to use it also (Burgelman, 2002).

Gaining competitive advantage involves usually a high investment for the firm, which is then rewarded with more market-share and better profit rate (Porter, 1985). The key to make competitive advantage sustainable once it is reached is to reinvest (DeFillipi & Reed, 1990).

2.2. Green Marketing

2.2.1. Theoretical introduction.

The term of green marketing is popular in United Kingdom and other countries, but in the international business environment it does not have a universal meaning. For some people, “green” is associated with organic or clear water, but for others “green” is related to human rights or politic. In countries such as Germany and the United Kingdom green is associated with verdacy and nature but in Spain green is associated with low cost and low quality goods (Peattie, 1995).

Environmental marketing is the term that other countries, such as USA, use. The word “environmental” generates also problems of misunderstanding. Another criticism of the concept of “environmental” marketing and management is that it suggests something out there rather than
something right here. Environmental issues are not something external; they are close to hand (Peattie, 1995).

According to Tjärnemo (2001), there is not only one definition that fits for environmental marketing. Coddington (1993, p. 1) defines environmental marketing as “marketing activities that recognize environmental stewardship as a business development responsibility and business growth opportunity”. In addition, Peattie (1995, p. 28) provides another definition of environmental marketing, “the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way”.

From the green aspect, marketing offers a creative way to hire people and to promote greener lifestyles. From the business side, marketing offers a way to engage people to the firms and brands that are more implicated in corporate responsibility (Grant, 2007).

John Grant (2007) states that green marketing is a creative opportunity to innovate in ways that make difference, and at the same time achieve business success. To reach this goal of achieving business success in an environmentally market, companies have two solutions: cost saving and market opportunity potentials. By reducing the amount of raw materials and energy used in production, as well as reuse and recycle, companies can save money (Tjärnemo, 2001).

The concept of green covers all aspects of life (attachment 3). Therefore, individuals have different ways to perceive what green marketing is.

**2.2.2. Five I’s of green marketing.**

According to Grant (2007), five key points enable to build an effective green marketing. The theory of Five I’s, is a red line that companies have to follow to avoid mistakes, and green washing.

1. **Intuitive** - making better alternatives accessible and easy to hold.

   This means making green products or services seem normal. Enjoying life in a sustainable way appears too difficult and arduous for most of the people. Marketers have to make it intuitive. They need more ideas like organic (Grant, 2007).

2. **Integrative** – associating commerce, technology, social effect and ecology.
The main idea is sustainability, by combining economic development with social and environmental development. It is also a shift for commercial marketing, which has not in the past considered green and social objectives, except as a mean to a business end (Grant, 2007).

3. **Innovative** – creative new products and new lifestyles.

A majority of people is saying that green innovation and entrepreneurship in the next twenty years will be like the information and technology space over the last twenty years. For instance, people have started to use the term g-commerce, for green e-commerce. With Internet, it is now possible to collaborate in design, build communities and so on (Grant, 2007).

4. **Inviting** – A positive choice not an obligation.

Green now is partly a design challenge. A green product is often better, more efficient, durable, healthy, affordable, and so on. But organizations also need to tackle the culture of green lifestyles, create new myths and codes which are utopian, joyful and fun, rather than seeming like unpleasant medicine to avoid a dystopia (Grant, 2007).

5. **Informed** – Lack of information is what most disturbs people’s behaviour.

The green marketing is more about education and participation. There is a revolution going on in health, lifelong learning and citizenship due to the new accessibility of information (Grant, 2007).

Tjärnemo (2001) states “there is not only one definition that fits for environmental marketing”. This quote can be applied to theories, indeed the Five I’s is not the only one used in the green marketing field. Authors contribute to implement green marketing with other explanations. Even Grant developed also in 2007 another model of green marketing.

2.2.3. **The green marketing grid.**

John Grant (2007) has also developed the green marketing grid, which is composed of eighteen types of green marketing. According to Grant (2007), these strategies are implemented in order to make this green alternatives seem normal and accepted. They are divided in two $3 \times 3$ grids. The first grid is illustrated in appendix 1. According to Grant (2007) the three vertical categories are referring to what degree the marketing activity contributes. Companies can adopt one of these approaches to develop a good green marketing strategy. Indeed by taking actions a company can
change its previous status by becoming greenest instead of greener. They are divided in two $3 \times 3$ grids. The first grid is illustrated in appendix 1. According to Grant (2007) the three vertical categories are referring to what degree the marketing activity contributes.

**A. Green - Setting new standards:** an old or classical marketing applied to greener products, brands and companies. Grant states that greener is “greener than the substitutes and competitors” (2007, p.61). These companies have their act together and have modified their supply chain, sourcing, distribution and so on. The result appears in commercial outcome. Sustainability is the target that each company has to reach every year. The key guideline is to be clear about what a company is doing and acting for. The most important is not to make something normal seem greener – *greenwashing*.

**B. Greener - sharing responsibility:** this is what Grant (2007) call “new marketing”.

Customers collaborate and participate with companies by sharing with them responsibility. In this case, companies are not selling their greenness, but they are trying to involve people in a public activity. In the selling process the enthusiasm is added, this means “a bigger enthusiasm, clearly separated from just buying a brand and ways the audience can contribute and participate” (Grant, 2007, p.134). At the end the result is a bigger outcome, the commercial results being a by-product of this. A company using this strategy will be different in terms of what it brings to market – *green Products*.

**C. Greenest – responsibility through innovation:** organizations in this part, according to Grant (2007), seek to change how people consume and what they consume. Green innovations can be the solution to make a greener way of life for everyone. Nevertheless, the challenge is to combine new products or services with the daily habits of customers in a completely normal and acceptable cultural way. Green innovations can help to set up the “new normal” (Grant, 2007, p.65). This column of approaches includes the three objectives of green marketing: commercial, green and cultural outcomes

According to Grant (2007), the three horizontal levels show the hierarchical levels of marketing. Inside each nine categories seen previously, firms are setting different strategic approaches. This is figured in the second $3 \times 3$ grid and is illustrated in appendix 2.

**A1. Framing vs. pointing:** according to Grant (2007), two strategies can be used when it comes to present policy. “Giving a progressive policy a familiar, intuitive and accessible frame or
giving something that you wants to oppose an alien, scary and threatening frame” (Grant, 2007, p.102). \textit{Framing} is to talk about your operations in general and the new principles they are guided by. At the opposite, \textit{pointing} highlights a specific list of features and products that a company has developed. It is concrete examples that company can use to communicate.

\textit{A2. Eco labels vs. cause-related:} according to Grant (2007), a good way for a company to build its green image is to associate itself with a credible partner. \textit{Eco Labels} are using to help the customer to differentiate an eco-friendly product of a non-eco-friendly one. \textit{Cause-related} marketing is a partnership strategy, a promotional tactic. It allows linking organization’s brand with a cause, which is unequivocally good, and then avoiding in a way green washing.

\textit{A3. Less vs. more:} according to Grant (2007), the \textit{less} approach can be resumed by value for money. A company which uses this approach makes simple products at affordable prices for environmentally conscious materials and innovations. There is a little packaging using recycled materials. On the other side the \textit{more} strategy is based on premium products with added value set up by brands.

\textit{B1. Educate vs. evangelize:} according to Grant (2007), this is about companies developing the market for green and ethical products. The educate approach is used to make customers conscious about the environment and they make better choices. \textit{Evangelize} in accordance with Grant (2007) is recruiting people to a progressive point of view thanks to an advertising campaign. Its goal is about “making a radical position seem normal in order to get mainstream people involved” (Grant, 2007, p.149).

\textit{B2. Exclusive vs. inclusive:} is about collaborating with customers to create brands. The idea behind the \textit{exclusive} approach is to enlist celebrities and similar devices to make green attractive to mainstream market. Grant (2007, p.156) states “allied with this, is making green products attractive and superior in design terms as well as their functionality”. While on the other side \textit{inclusive} brands, according to Grant (2007), are often creative, playful, generous and inclusive, but at the same time disciplined in their sustainability.

\textit{B3. Switch vs. cut:} according to Grant (2007) this is about asking your customers to do their bit once they have bought your product. The core idea behind the \textit{switch} strategy is to make sure that
changing to a better behavior involves a minimum of cost, effort or sacrifice. This approach is offering a greener alternative in return for the same price or a small price premium. Cutting involves reducing the purchase or reducing use once the good are bought.

*C1. Social production vs. property:* the strategy of social production by Grant (2007), takes place on Internet, the Web 2.0. This is the interplay of prosumers with commercial ventures.

*C2. Tradition vs. new cool:* the tradition approach is, according to Grant (2007), inherited culture: ideas and practices which represent the way things have always been done. The purpose of this approach is helping customer to adopt new patterns of living this means by making new green stuff, product and also lifestyles seem normal. The New cool strategy is to integrate some points of the fashion industry strategies to make a brand cool and market, design your green products.

*C3. Treasure vs. Share:* Grant states that treasuring “is getting people to value products and use them for longer” (Grant, 2007, p.74). This strategy involves durable luxurious good instead of low quality items with short lifespan. The sharing approach focuses on sharing, renting products in order to reduce consumption and waste.

2.2.4. Eco-labels.

Peattie (1995) classifies a product as green when it meets customers’ needs and wants, and when it “is socially acceptable and produced in a sustainable manner” (Peattie, 1995, p. 180). These definitions go together with important criteria: a dual focus on environmental and social performance, a continuous improvement orientation, a use of both competitors’ offerings at present and past products as a mark for comparison, and an emphasis on significant change (Peattie, 1995). A green product is different from a grey product, when its product life cycle is not evaluated according to its sales over time, but to its physical life from “cradle-to-grave” (Peattie, 1995, p. 187). When measuring the greenness of a product, various characteristics have to be taken into consideration: what goes into the product (raw materials and human resources), the purpose of the product, the consequences of product use and misuse, the risks involved in product use, the product durability, the product disposal and finally where the product is made (Peattie, 1995).
Eco-labels can be a proof used by a firm to inform and show their customers that it has employed environmentally sensitive production or distribution methods (Bruce & Laroiya, 2007). According to the Global Ecolabelling Network (2004), an eco-label is a label which identifies overall environmental preference of a product or service within a product category based on life cycle considerations. Contrary to an eco-label, a self-styled environmental symbol or a claim label is developed by a manufacturer for its product (Global Ecolabelling Network, 2004). Whereas the eco-label is granted by an independent third party, and not influenced by the company who seeks certification (United Nation Office for Project Services, 2009).

Problems occur when discussing about eco-labels. Indeed many product labels exist without being “real” eco-labels but claim labels. These self-declared claim labels could be symbol or logo being added to a product or services by the manufacturer itself.

There are several definitions, or levels, of eco-label; all of them make a difference between a simple logo and a proper eco-label thanks to important aspects and characteristics. To be trustworthy an eco-label must have essential features. “Voluntary”, this means participation in an eco-labelling system cannot be imposed upon suppliers; “distinction in environmental performance”; “sound scientific evidence”; this means that the labels’ information must respect standard, measurable and state of the art scientific data; “based on life cycle considerations”, third party and independent organizations; “objectivity”, means the eco-labelling scheme is usually guaranteed by representatives of industry, government, retailers, consumer in the definition of the environmental criteria (United Nation Office for Project Services, 2009). International Organization for standardization (ISO) identified 3 types of voluntary labels, type I, II, III (attachment 4).

Type I: Composed of (ISO14024: 1999), independent and reliable labels that consider the life-cycle impact of products and services. Eco-labels are based on serious criteria of environmental quality, and they guarantee that the awarded products respect the highest environmental standard in that market segment. The criteria is usually developed through the involvement of a large number of stakeholders and awarded after an independent process of verification.

Type II: The labels belonging to this group do not share some of the usual characteristics of environmental labels; the main difference is that an independent authority does not award them.
Companies develop these labels internally, and they can take the form of a declaration, a logo, a commercial, etc. referring to one of the company products.

**Type III:** Consist in qualified product information based on life cycle impacts. A qualified third party sets environmental criteria, then companies compile environmental information into the reporting format and these data are independently checked. The environmental impacts are expressed in a way that makes it very easy to compare with different products and sets of parameters, for example for public procurement purposes. These labels do not assess or weight the environmental performance of the products they describe. This type of environmental labels only shows the objective data, and their evaluation is left to the buyer (European Commission, 2000).

### 2.2.5. Green branding.

Brands generate value for companies in four ways. First strong brands usually obtain price premiums from either consumers or resellers. Second, strong brands obtain higher market share. Third, because of customer loyalty, successful brands generate more stable and less risky earning streams. Finally, successful brands offer avenues for further growth. (Doyle & Stern, 2006, p. 177)

“Brand-building effort has to be aligned with organizational processes that help deliver the promises to customers through all company departments, intermediaries, suppliers, etc., as all these play an important role in the experience customers have with the brand” (Ghodeswar, 2008). The whole organization and the external entities intervening have a role in the construction of brand image.

The brand image is the way to create superior value, compiling added values, for a brand in the buyers’ opinion. Brand image is also the asset of successful brands (Biggar & Selame, 1992).

Brand image has to be built according to four layers (attachment 5): “a quality product, a basic brand that differentiate the product, and then augmented and potential layers of branding which enhance its values” (Doyle & Stern, 2006, p. 172).
2.2.5.1. Attributes of brand.

The four layers of construction of the brand influence the brand image. The first layer, a quality product, is the basis of brand building (Doyle & Stern, 2006).

The first criterion of a brand’s image is its tangible product. The construction of trust and confidence is a slow process, so new brands have this disadvantage compared to existing brands. As competitors are quickly copying innovations, the tangible product is only the starting point of branding (Doyle & Stern, 2006).

The second layer corresponds to the basic brand. It is the core elements of the brand, which are at the first differentiation criteria of brands. The brand’s personality is built through product features including brand name, design, packaging, logo, and color; price; communication such as advertising, selling, and sales promotions; and distribution channel (Doyle & Stern, 2006).

The third layer is augmented brand. This layer is about augmented level of added values with supplementary products and services that enhance the customer’s total purchasing use experience (Doyle & Stern, 2006, p. 173). These supplementary elements are “services, guarantees, and financial support” (Doyle & Stern, 2006, p. 173).

The last layer is the potential brand. A brand succeeds in this level when “its added values are so great that the customers will not willing to accept substitutes even when the alternatives are substantially cheaper or more readily available” (Doyle & Stern, 2006, p. 174). Confidence, esteem and satisfaction of customers make possible brand dominance, with the possibility of high profit margins and long term brand loyalty (Doyle & Stern, 2006).

2.2.5.2. Attributes of green brand.

“Brands able to be classified as green are those whose users’ primary associations are environmental conservation and sustainable practices” (Insch, 2011, p. 283). Apaolaza Ibáñez, Forcada Sainz, and Hartmann (2005, p.10) defined green brand as “a specific set of brand attributes and benefits related to the reduced environmental impact of the brand and its perception as being environmentally sound”. “A well-implemented green brand identity should provide benefits to environmentally conscious consumers” (Apaolaza Ibáñez, Forcada Sainz, & Hartmann, 2005, p.10).
Insch (2011, p. 284) distinguishes green brands from other brands by “their focus on green values is a distinguishing feature of green brands”.

For Baumann and Rex (2007), cited by Insch (2011), the difficulties in verifying the environmental effectiveness of green brands create scepticism and criticism among consumers. They remain suspicion of green-washing and resist to support green brands. Baumann and Rex (2007), cited by Insch (2011, p. 284), also specified that “green brands must consider the limits of traditional eco-labeling systems that summarize technical information”. “Eco-labels might add credibility to green brands, but are unlikely to actively communicate the array of functional and emotional benefits consumers, other than the greenest, seek” (Insch, 2011, p. 284). Apaolaza Ibáñez et al. (2005, p. 10), research found that “positioning a brand as a “green brand” entails an active communication and differentiation of the brand from its competitors through its environmentally sound attributes”.

According to Walker and Hanson (1998), cited by Insch (2011), green marketing communication of green brands has to focus on quality of life, socio-economic impacts, waste disposal and pollution management and customers’ attitudes and behaviours. As Apaolaza Ibáñez et al. (2005, p. 10) cited: “effective green positioning involves brand communication and differentiation based on functional attributes and emotional benefits”. Ecologically sustainable products will not be commercially successful if green brand attributes are not effectively communicated (Apaolaza Ibáñez et al., 2005).

Green positioning must be associated with green branding (Juwaheer, Noyaux, & Pudaruth, 2012). This green positioning can be functional and/or emotional. When using a product or service, consumers experience functional benefits; these functional benefits, for example the improvement of environmental quality, are reliable when the environmentally sound benefit is generalized to a majority of consumers (Apaolaza Ibáñez et al., 2005). However, functional positioning strategy faces general disadvantages: “they can often be easily imitated, they assume rational buyer decisions and they may reduce the flexibility of brand differentiation” (Kroeber-Riel, 1991, cited by Apaolaza Ibáñez et al., 2005, p. 11). In addition, or as an alternative of functional benefit positioning strategy, green positioning can be based on emotional benefits (Apaolaza Ibáñez et al., 2005). This positioning strategy involves three different types:
1. A feeling of well-being associated with acting in an altruistic way. Environmentally conscious consumers experience personal satisfaction by contributing to the improvement of the “common good” environment (Apaolaza Ibáñez et al., 2005, p. 11);

2. Auto-expression benefits through the socially visible consumption of green brands. Environmentally conscious consumers experience personal satisfaction by exhibiting their environmental consciousness to others (Apaolaza Ibáñez et al., 2005, p. 11);

3. Nature-related benefits stemming from sensations and feelings normally experienced through contact with nature. These are the result of a sensation of “emotional affinity towards nature,” e.g. “loving nature” or “feeling one with nature” (Apaolaza Ibáñez et al., 2005, p. 11).

Nevertheless, a green positioning has to be “based on relevant environmental advantages of the product compared to competing conventional products, and may refer to production processes, product use and/or product elimination” (Apaolaza Ibáñez et al., 2005, p. 11). Apaolaza Ibáñez and Hartmann (2006) see in labelling a way to guarantee effective environmental benefit of a product or service; it is a support of green branding.

3. Method

The aim of this thesis is to explore how organizations are using green marketing as a competitive advantage. The purpose of this thesis was to identify the competitive advantage process through green marketing. In order to realize this goal, we did a multiple case study in the field of the boardsports industry.

By analysing theories and empirical data in a way to better understand the effects around green marketing and competitive advantage, within two different companies, we aimed to answer to the purpose of this thesis.

3.1. Method Approach

According to Saunders, Levis and Tornhill (2007), a research project involves two possible research approaches: deductive or inductive. When implementing a deductive approach, the
formulated theory leads to the research strategy to collect data and then verify this theory (Saunders et al., 2007). The deductive approach involves five steps: formulate a theory based hypothesis, express the hypothesis, test the hypothesis, analyse the results, and adapt the theory according to the results. The inductive approach is, according to Saunders et al. (2007), used to build a better understanding of the nature of the problem between variables. It is also called bottom-up approach, indeed it’s moving from specific observations to broader generalizations and theories (Robson, 2002).

The scientific approach applied in this thesis is the inductive approach.

Then the research method can be quantitative or qualitative. The quantitative method consists in collecting numerical data to explain the observed theory. The reliability and validity of the quantitative method is based on its ability to collect an important quantity of data (Fiorito & Samuels, 2000). In the qualitative method, other data are not taken in consideration when the process begins could be discovered when it comes to analyse the data (Saunders et al., 2007). It focuses on words rather than numbers and also on specific situations or people. Gordon and Langmaid (1989) stated that the qualitative approach concerns the understanding and meaning of phenomena.

Conducting an inductive approach involves using a qualitative data collection method. Therefore, we have adopted a qualitative research approach. Moreover, since our goal is to understand how green marketing is linked to competitive advantage, the qualitative approach is the most relevant in order to understand how these concepts are related to each other

3.2. Type of Research

The purpose of a research can be exploratory, explanatory and descriptive (Saunders et al., 2007). It is not necessary to use these three in the research method. According to Saunders et al (2007), exploratory research is used on areas that have not yet been explored in previous research and strive to generate in hypotheses for further research. Explanatory studies analyse causes and relationships and attempt to identify patterns related to the subject studied. In descriptive research a subject is described and documented. One may concentrate on observing the physical setting, the key participants and their activities (Saunders et al., 2007).
The type of research handled in this thesis was explanatory. Indeed, to understand and describe the relationship between green marketing and competitive advantage this type of research is the most appropriate. It allows measuring the degree of association between these two variables.

3.3. Population and Sample

This section is about who is going to be included in this study. According to Saunders et al. (2007), whatever the research question and objectives are, it is needed to consider whether to use sampling.

According to Yin (2009), the population represents the totality of the items or units about which we are conducting our research. The population may be said to finite when it represents a defined number of items or units. On the other hand, the population is infinite when it is impossible to know the number of items.

Consequently the population is composed of all companies of the boardsports industry situated in France and the sample is referring to companies of boardsport industry located in France, which have adopted a green strategy in order to respect the environment by using eco-labels and producing green products and services.

According to Yin (2009), there are two different types of sampling techniques. First, a probability sample is the chance, or probability of each case being selected from the population is known and is usually equal for all cases (Saunders et al., 2007). Second, non-probability samples, is the probability of each case being selected from the total population is not known and impossible to answer research questions that require to make statistical inferences about the characteristics of the population (Saunders et al., 2007).

Indeed to define our sample we applied the non-probability sampling techniques. According to Saunders et al., (2007), that one can be divided into quota, purposive, snowball, self-selection and convenience. Quota, the population is divided in several sub-groups in which the researcher deliberately selects some participants in each group (Yin, 2009). Purposive, which according to Yin (2009) enables to use judgment to select cases that will best enable to answer to research question and to meet objectives. Snowball technique consists in a chain of participant where one leads to the next
participants (Yin, 2009). In the self-selection technique, the researcher deliberately selects the items for the sample (Yin, 2009). Last, the convenience technique consists in the researcher choosing the sample according to its connexions and its ability to investigate the participant (Yin, 2009).

The technique we chose was purposive sampling.

To be reliable in our data collection some requirements can be made. First, companies have to be on the boardsports market. Second, these companies should provide eco-friendly products to the market. Third, they should use green claims labels, to show their commitments in order to protect the environment.

According to the previous criteria, the companies that we have decided to choose are:

1. Jade (or Jade Kiteboards and surfboards);
2. Notox (or Lab Notox).

3.4. Instruments to Collect Data

Between the five strategies, case study, experiment, survey, histories, and analysis of archival information (Yin, 2009), the case study was the best to conduct for this thesis. It is the analysis of an individual or an organization, aiming to explain hypotheses (Yin, 2009). The case study can be a single case or a multiple cases (Saunders et al., 2007). Contrary to the single case study, the study of multiple cases allows to generalize the findings (Yin, 2009). Yin (2009) also explained that the goal of multiple case-studies is to build a general explanation that fits each individual case, even though the cases would vary in their details. The object is analogous to creating an overall explanation, in science, for the findings from multiple experiments (Yin, 2009).

This thesis handled a multiple case-study, within two different companies.

In order to collect data for this multiple case-study, we used interview as qualitative approach.

3.4.1. Interviews.

To collect data for the empirical framework, the qualitative approach is appropriate because it was through interviews with the chosen companies (Yin, 2009). Interviews can achieve efficiency in data collection. According to Lindlof and Taylor (2002), it is particularly true when an interview study is compared with participant observation.
We made interviews of two companies, in order to better understand and gather information, that allow to answer our problematic which was: how organizations, in the boardsports industry, are using green marketing as a competitive advantage.

Collecting data through interviews is a practical method since it makes immediate follow up in the case of clarification easier. This data collection method also brings over information about the context in which events occur. Finally, the high flexibility of interviews facilitates the analysis.

3.4.1.1. Interviews participants.

We identified the most appropriate person to answer the aim of this thesis; it means a person who is responsible for environmental question for each company.

We sent our interview request by email to Jade’s email address on Monday April 16th, 2012. Colas Ricard accepted it, sending us an email back and scheduling the interview on Monday April 23rd, 2012. Colas Ricard was our first interview participant. He is the founder of Jade, shape manager of the boards, and in charge of interviews for the press and other works. He was the most relevant person to interview in Jade because of his status. He is the founder and central person in the company that means he made its culture and direction; he is responsible of the company’s strategy.

At the same time for LabNotox’ we sent e-mail to the customer service introducing the topic of our thesis and requesting if it was possible to have an interview. Our request was successfully fulfilled and we could identify and contact the possible interview participants. At LabNotox the contact was Dominique Villenave co-founder of LabNotox and sales representative. He is in charge of the press relations at the moment. Colas Ricard and Dominique Villenave are in their respective companies since their creation. Therefore, they are aware of the green marketing and they are the most qualified persons to answer our questions.

3.4.1.2. Interview method.

The persons chosen as respondents for the interviews where located in France. Therefore we decided to conduct the interview via telephone and Internet mediated (Skype) to collect the empirical data. Using telephone was more convenient for the interview participant when we were in France. However, when we were in Sweden it was more convenient to use Skype to realize the interview.
We called Colas Ricard, Jade’s interview participant, using Skype, a free Internet software, as we were in Halmstad, Sweden, and he was in Gigean, France. Skype enabled to realize video call, which better permits to know the interview participant reactions. On Monday April 23rd, 2012, the interview lasted about 45 minutes. As the participant and the interviewer are both French, they spoke French together. We translated the information gathered during the interview and with the secondary data in English. The sound quality was good; nevertheless the video quality became bad after half an hour.

We interviewed Dominique Villenave, for Notox, on Wednesday April 25th, 2012. We called him using the telephone and a recording device.

3.4.2. Interview structure.

Interview may be highly formalized and structured, using standardized questions for each respondent, or they may be informal and unstructured conversations (Saunders et al., 2007). Interviews can be divided in this way: structured interviews, semi-structured interviews and in depth-interviews (Saunders et al., 2007).

We conducted two interviews with the companies. The interviews took between 30-45 minutes to perform. The entire interviews were recorded and translated from French to English. Conducting the interviews in French allowed both participants and interviewers to easier express themselves. The main advantage of recording, is according to Saunders et al., (2007), that it allows the interviewer to fully concentrate on the questioning and listening but also the ability to re-listen the whole interview whenever.

For the collection of primary data, this thesis used a non-standardized interview and more specifically semi-structured interviews. The interviews were conducted in a semi-structured manner since we had put together a list of themes and questions that we wanted to cover during the interviews. In order to prepare for these interviews, we made up a table with the discussion area we aim to collect information about. This table is in common with Jade and Notox companies, as it is in the appendix 3. The last element to prepare these interviews was three examples of questions we sent to the participant, allowing the participants to know what kind of information we aimed to discuss.
In order to prepare for Colas Ricard interview, we searched secondary data about Jade, mainly using its website, http://www.jadebycoco.com/, to know about the company’s products and communicated strategy. During the interview, we discussed about the topics we prepared, as it is presented in the appendix 3, completed with the secondary data we found about Jade on internet.

We also prepared for Notox’s interview, we searched secondary data about Notox, mainly using its website, http://www.notox.fr/, to know about the company’s products and communicated strategy. On Monday April 25th, 2012, the interview lasted about 50 minutes. As Dominique Villenave is also French, we translated in English the information gathered for this paper.

3.4.3. Secondary data.

In order to complete our primary data collection we used secondary data, this means according to Kotler and Armstrong (2009), information that already exists somewhere, have been collected for another purpose.

The secondary data we used were Internet secondary data such as the sample companies’ websites, external websites about the eco-labels, dealing about boardsports industry and secondary literature sources such as magazines. In addition, information about green marketing and competitive advantage from books of Halmstad university library, scientific articles from online libraries such as Emerald and journals. Furthermore, we added our knowledge, since we use to buy green products from boardsports companies. Finally our skills in that area through job experience can bring information on this theme. One advantage of the secondary data is that it is cheaper and faster to obtain than primary data. At the opposite, secondary data can also present problems. The needed information may not exist and even when data can be found, the information might not be very usable. According to Kotler and Armstrong (2009), the researcher must evaluate secondary information carefully to make certain it is relevant (fits research project needs), accurate (reliably collected and reported), current (up-to-date enough for current decisions, and impartial (objectively collected and reported). It is important to emphasize that we used this secondary data for basic company information and not in order to make clearer the more complex areas.
3.5. Data Processing and Analysis

After each interview, we analysed their content. The entire conversation was transcribed. Transcribing the tape recording give the researcher an opportunity to analyse (Maxwell, 2005). When we transcribed the interviews, the shape of a thematic analysis took form. Thematic analysis is according to Maxwell (2005) part of the qualitative data analysis called categorising strategies.

We divided the data into themes according to our six areas of discussions: green marketing strategy, green products, eco-labels, green branding, competitive advantage and sustainable advantage.

In order to get an overview of each company our empirical data part is divided in two, representing how the two companies develop green marketing to gain competitive advantage on their markets.

4. Empirical Study

Our research was based on the study of two boardsports companies, Notox and Jade. These two companies have different profiles. Notox is a medium international company, while Jade is a small French company. The empirical study part presents the case study of the green marketing used by these two companies.

4.1. Case Study of a Small Local Boardsports Company: Jade Kiteboards and Surfboards

4.1.1. Presentation of Jade.

The presentation of Jade is based in the information retrieved from its website (http://www.jadebycoco.com/) and detailed with the information gathered during the interview.

Jade, Jade Kiteboards and Surfboards, is a small company located in Gigean, South-West France. It has between three to seven employees, depending on the season and the level of activity. The company was created with the brand Jade by Coco because of the passion of its founder Colas Ricard. The company’s structure is based around him and his competences. He is a board shaper passionate by everything going on the water. The founder, Colas Ricard, experiences boardsports for over twenty five years. Because of the enjoyment he feels when practicing boardsports, he decided to
make kitesurf boards and surfboards at “a quality level matching with this passion”. He built his knowledge by working with the most famous shapers. His and Jade company’s knowledge grew up year after year.

Jade company’s workshop provides a wide range of kitesurf boards and surfboards. The high quality level of its products is now “recognized and appreciated”. The workshop is producing kitesurf boards and surfboards, sold in the best surf shops. Moreover, it is also making to measure those two kinds of boards, for customers with specific needs, directly ordering it to the workshop. Kitesurf boards are the main products of Jade, about 70% of turnover, with a wide range of boards for the different needs, from competition to freeride. Surfboards are also covering the different needs, with shortboard, fish, and longboard.

Jade boards aim to associate “high quality material, new technologies, and perfectionism” in order to satisfy customers.

4.1.2. Jade’s interview topics.

4.1.2.1. Green marketing strategy.

Jade’s green marketing strategy was implemented many years ago, but became significant, the main strategy, since 2007. Its green marketing strategy was motivated by the beliefs of its founder, Colas Ricard. As experiencing the nature and environment when practicing boardsports, he believed that “it is necessary to protect it, in every aspect of the life”, including the conception of a product, its purchase, and its use. The green marketing strategy was motived by a second belief, that “boardsports’ consumers are also sharing this care for environment and searching for environmental products”. Environmental care is part of Jade’s culture. When the green marketing strategy was significantly implemented in 2007, only a very few environmental products existed. Colas Ricard expresses Jade’s green marketing strategy as “better respecting the environment, better respecting than others”. Our interview revealed that Jade does not have a department dedicated to green marketing as it has a simple structure, according to Mintzberg denomination (Drago, 1998). Every employee is convinced about the need of environmental care. Colas Ricard said “we will produce green products, no matter how much it costs”.
4.1.2.2. Jade’s green products.

All Jade’s kiteboards and surfboards are green products. However, “they integrate different technologies, materials, and processes”. The main product, the One Shot twin tip kiteboard, integrates bamboo, which “has better environmental values than other woods”, is locally produced, and donates four euros for every board sold, to the environmental association Surfrider Fondation. All the boards, kiteboards and surfboards, are made using the infusion process, which “is using closed mould, reducing the greenhouse gas emissions and other volatile organic compounds”. The kiteboards and surfboards, out of the twin tip kiteboards, are made with new ecological fibres and ecological resins. These boards are also all locally produced. “The construction processes and the materials used are or were all innovative but are quickly used by some competitors, as they are not protected by internal patterns”. During their conception, the products are moving to a different room at each step of the process in order “to respect the different environmental and quality requirements of each of these steps”.

Jade’s products are produced in small quantities, and environmental materials are more expensive than traditional materials, so the company has “few chances to implement successfully a low cost strategy”. Its prices reflects the quality, it is a price premium positioning.

4.1.2.3. Jade’s eco-labels.

Jade company has the label Surfrider Foundation which “shows the company’s environmental commitment”. Surfrider Foundation is an organization aiming to protect oceans, beaches, and the rest of the environment. It leads actions to protect and clean the environment, and studies to know the impact of human actions on it (surfrider.org). By having this label, it shows Jade’s environmental commitment, in agreement with Surfrider’s policies and principles, and its support to protect it. “This label is not applied on the products but on the communication media and mediums, where the company name Jade appears”.

All Jade’s products have the claimed labels Handmade Product which also mention on the label’s logo the environmental materials and processes. This label is used by the company to show its environmental commitment and “briefly explain in what the products are green products”.
Having eco-labels for Jade involves higher costs. It has “financially a negative impact for Jade, but a positive impact in terms of image and communication”. It also permits Jade to be referenced by the eco-label. “It improves Jade’s brand awareness and knowledge”.

Jade, using eco-label, aims to make consumers realize the importance of environmental care.

4.1.2.4. Jade’s green branding.

Jade’s tangible products are kiteboards and surfboards. In order to be perceived as a green brand by customers, Jade is adding green attributes to its brand, over the green aspects of its products we discussed above.

On Jade’s basic brand layer, the company is giving green attributes to design, price, packaging, distribution channels, and communication. Product’s design has green attributes by including the eco-label Handmade Product. The price is a price premium, “reflecting the superior environmental quality of the materials used and the environmental manufacturing process”. The packaging is not directly green but it is induced. “Jade’s products do not have packaging, which avoid the waste of materials”. However, it is possible for customers to order a board with a bag, “this bag does not have a single time use”, but is dedicated to the board protection every time it is moved. The distribution channel chosen by Jade is local surf shops, “all in France and border countries, in order to reduce greenhouse gas emissions during the transportation”. Jade’s communication is focused on its main product, the One Shot, and its green attributes. The media used to communicate are Internet and specialised magazines. When communicating, Jade is emphasizing on the environmental materials and processes. It is also using its eco-label “to give sense, to argue on the attributes communicated”.

At the augmented brand layer, Jade is still giving green attributes to its brand. This green attributes are given through the image of durability of its products. All the products have the claimed label Longevity, Shock-resistant, “giving guarantee” to its products. Jade’s service is in accordance with the image of durability. “The workshop can repair all kind of damages on the boards”, as repairing a board has a better carbon footprint than buying new board. Jade’s financial support to environment is done by donating four euros to Surfrider Foundation for every One Shot sold.
Jade gives green attributes to its brand by positioning it as “a human scale company, alternative to international brands, anti-globalization, promoting environmental quality rather than quantity”. This positioning aims to generate loyalty, esteem, confidence, and satisfaction to its customers, which are the components of potential brand’s layer.

**4.1.2.5. Jade’s competitive advantage.**

Jade’s competitive advantage strategy is to differentiate itself on kiteboards and surfboards markets from “other traditional international brands and non-environmental brands”. The differentiation is based on having “green products using environmental materials and processes”. In addition to its products, Jade developed other elements respecting the environment “better than the competitors do”. It is using eco-labels as certificates to its environmental commitment, which are also a way to differentiate from its competitors.

**4.1.2.6. Jade’s strategy to reach sustainable advantage.**

Jade based the added value of its products on their environmental quality, and the brand identity and values. These green products have been developed thanks to the corporate knowledge that Jade’s workshop “gained through years”. This knowledge is “shared by the three core employees”. The values, environmental, human scale, and local company, made Jade’s identity, and contributed to differentiate it from competitors. “Jade is always improving its environmental commitment by developing new processes and integrating new materials”. Colas Ricard said to conclude “zero impact on the environment is impossible, but we are doing better every day”.

**4.2. Case Study of a Medium Global Boardsports Company: Notox (Lab Notox)**

**4.2.1. Presentation of Lab Notox.**

Dominique Villenave, Pierre Pommiers and Benoit Rameix, three friends, engineers from high technology areas of mechanics and robotics, and surfing enthusiasts, created in Anglet, France, a brand that brings “an entirely new approach in the world of surfing”. The Lab Notox is a private company specialized in technology and particularly in surf, with an “ultra-modern workshop,
designed specifically to meet the requirements of a shape less harmful to the environment and the health of employees”.

The Lab Notox, which required “an investment of about 450,000 euros”, includes methods and materials respecting health and the environment when manufacturing surfboards. The company has implemented the treatment and air cleaning of the lab, noise reduction machines for working comfort, use of non-hazardous products for cleaning tools and ergonomic workstations, as well as use of individual protections.

**4.2.2. Lab Notox interview topics.**

**4.2.2.1. Green marketing strategy.**

Clark Foam’s closing in 2005, the world leader in polyurethane board stock foam, followed a serious environmental crisis putting the surfing world in peril. Indeed, the shapers will not be able to manufacture surfboards. For Lab Notox it was “the catalyst for its creation”.

As a first application of the company’s strategy, a workshop with environmental standards was created. This means that “health and safety are at the center of every preoccupation”. The goal is “to manage, remove and recycle waste when possible”.

The purpose of the Lab Notox was primarily to imagine and design solutions for eco-design sports. There is a program of research and development that is structured like a research department. LabNotox develops and implements the solutions they devise.

**4.2.2.2. Lab Notox’s green products.**

The GreenOne is a new generation product, with performance enhancements (attachment 6). The GreenOne is made of foam polystyrene: “EPS epoxy, therefore lighter and stronger”. Lab Notox is buying it from a French manufacturer (labelised Uni’vert, an eco-label) with whom he established a chain of total recycling with this manufacturer. “98% percent of polystyrene is recycled to the foam”.

In addition, the glass fiber is replaced by the flax fibers. Then the company uses epoxy resin-coated organic. This surfboard is “directly related to the first application of the LabNotox when it has decided to set up a workshop with environmental standards”.
LabNotox also produces traditional boards, but the manufacturing process is completely in accordance with the respect of the environment and the less harmful impact on the shapers’ health is fully controlled. There is “a drastic waste management, air treatment, and substitution of toxic product when possible”. This workshop is unique in Europe, because of its five following characteristics.

1. Treatment and air cleaning of the lab;
2. Noise reduction machines for working comfort;
3. Use of non-hazardous cleaning tools;
4. Ergonomic workstations and specialized personal protective equipment to the top;
5. Sorting, recycling and recovery of waste production.

What affects the selling price are: “the working time, 7.30 h per surfboard, plus the green manufacturing processes, and finally the use of materials not harmful for the health of the shapers and for the nature”. To have an overview, the GreenOne costs 799€ instead of 550€ for a traditional board. The GreenOne and the methods used in Lab Notox are considered as innovations. Indeed Lab Notox won the prize EuroSIMA Innovation and Eco-Design in 2011.

4.2.2.3. Lab Notox’s eco-labels.

The GreenOne is labeled Greenroom voice which is an independent Swiss label. Indeed it offers a scientific rating system with Swiss university of Augsburg. Then Lab Notox also benefits from Ecoride label, which is awarded by EuroSIMA for companies that act in favor of the environment.

LabNotox uses no claim labels but a quality charter that the company and its employees strive to respect and which “acts as a label for customers” because it is so much comprehensive in terms of criteria, which have to be respected. This label is affixed on every surfboard.

Having obtained several labels and have created a quality charter, promotes cooperation between the departments. Indeed it is “necessary to stay and follow the same guideline to reduce the impact on the environment and on the health of shapers during the process of manufacturing”. That is why employees communicate together in order to keep these labels each year. In fact it allows Lab Notox to be recognized as a green company in the field of surf industry.
4.2.2.4. **Lab Notox’s green branding.**

**Basic Brand:** the boards are more powerful, lighter and high-priced but it’s according to higher quality of materials. There is no packaging the board is sold directly at the outside of the shop room. Created by Lab Notox, the boards are sold in its store or its website. The communication is through the website, social media and during events.

**Augmented Brand:** the ability to test surfboards, the first repair is free and customers have the opportunity to participate in the creation of their own surfboard.

**Potential Brand:** high loyalty, indeed “being green from the point of view of customers is a plus and allows them to make a rebuy”. Satisfaction, regarding to the performances of the surfboards, customers are satisfied of their purchase.

4.2.2.5. **Lab Notox’s competitive advantage.**

When the Lab Notox applies his quality charter and also improved the performances in the eco-design, it gives a competitive advantage over companies who do not do this. The objective is to “create a workshop with high added-values”.

The advantage over competitors is the differentiation. Indeed processes are different, more in line with the ethics of customers, the board is built in France and was manufactured in a unique workshop in Europe, where health and the management of waste has been put in prior.

Labels are not a sales argument. Lab Notox communicates on its quality charter, which is according to it, “a true added value regarding the environmental aspect”.

4.2.2.6. **Lab Notox’s strategy to reach sustainable advantage.**

At the moment, there are not so many surfboard manufacturers that offer a product such as the GreenOne and have manufacturing processes such as Lab Notox. Then the sustainability is assured.

But to keep its competitive advantage, Lab Notox wants to develop other innovations in a “progressive and recurrent way”. Lab Notox wants to keep this advance in “developing new technologies for eco-design in boardsports”.

To conclude, Dominique Villenave said “it’s not easy being a green company”. Lab Notox will start to get benefits after three years of work because the initial investments have been very high.
5. **Analysis of Empirical Data**

This section of analysis of empirical data aims, by connecting the theoretical elements of the frame of reference with the findings of the empirical study, to answer the question how organizations are using green marketing as a competitive advantage.

We conducted the analysis of marketing activities of boardsports companies that recognize environmental stewardship as a business development responsibility and business growth opportunities, according to Coddington’s definition of environmental marketing (1993).

Boardsports mainly concern three sports: surfing, skateboarding and snowboarding. They also involve other secondary sports such as: kitesurfing, longboarding or windsurfing.

5.1. **Analysis of How Boardsports Companies Use Green Marketing**

5.1.1. **How boardsports companies implement green branding.**

Green positioning must be associated with green branding (Juwaheer, Noyaux, & Pudaruth, 2012). As green positioning, green branding affects functional and emotional benefits. Apaolaza Ibáñez et al. (2005) described these benefits as a feeling of well-being, personal satisfaction, and affinity toward nature.

Jade and Notox are selling different green products in order to satisfy customers’ needs. The different technical characteristics of their products provide functional benefits. For instance, Notox is shaping boards adapted to every kind of waves and for every customer’s profile. Cola Ricard, Jade’s founder, aims to produce boards at a quality level matching with the users’ passion. This commitment creates personal satisfaction to customers, which is an emotional benefit. Jade and Notox are both making green products, both companies using green materials, for example the bamboo for Jade’s One Shot and the 98% percent of recycled polystyrene for the foam of Notox’s boards, and green processes, for instance the two companies are using the infusion. They are adding affinity toward nature to the emotional benefits they cover.

Green brands positioning has to be coupled with a specific communication. This communication has to focus on the “environmentally sound attributes” (Apaolaza Ibáñez et al., 2005). For Insch (2011), these environmental attributes are: quality of life, socio-economic impacts, waste
disposal and pollution management, and customers’ attitudes and behaviours. Apaolaza Ibáñez et al. (2005) insist on communicating about functional attributes and emotional benefits for the reason that ecologically sustainable products will not be commercially successful if green brand attributes are not effectively communicated. For Rex and Baumann (2007), cited by Insch (2011), eco-labels are a way to add credibility to green brands and strengthen their green image but organizations cannot communicate functional and emotional green benefits to green consumers by using eco-labels.

The empirical study revealed that the interviewed boardsports companies are communicating on the functional and emotional green benefits we explained before. Jade is focusing its communication on the One Shot, its main green product, while Notox is focusing its communication on the board range GreenOne. By communicating on these green products, they induce that the quality of life will be improved by respecting the environment. Notox second element of communication is its shape room, or laboratory. The information given on the company’s website and the GreenOne commercial is confirming Dominique Villenave talk, about the “drastic waste management, air treatment, and substitution of toxic product when possible”. Notox’s second element of communication is about waste disposal and pollution management. Notox shape room has the label Greenroom Voice and Ecoride. Jade is using the label Surfrider Foundation and claim quality labels. For the two companies, these labels are not highlighted on their communication support, but are shown at the bottom of a commercial or web-page, providing credibility to what was said above.

According to Apaolaza Ibáñez et al., being classified as green brand results from a specific set of environmental brand attributes and benefits. Green brands focus on green values (Insch, 2011). Therefore, green positioning has to be “based on relevant environmental advantages of the product compared to competing conventional products, and may refer to production processes, product use and/or product elimination” (Apaolaza Ibáñez et al., 2005, p. 11). In addition, eco-labelling is a way to guarantee environmental benefits (Apaolaza Ibáñez & Hartmann, 2006).

Jade and Notox produce green products and have environmental processes. They add them supplementary green attributes, such as eco-labels certification. The interviews revealed that the two companies have environmental respect at their core values. Notox’s first application was the creation of a workshop with environmental standards, and green products are fundamentals for Jade.
Green brands are, as other brands, having a four layers construction. The distinction comes in giving green attributes at the components of brand’s layers. First, tangible product is the starting point of branding (Doyle & Stern, 2006). Second, basic brand includes product features (with brand name, design, packaging, logo, and colour), price, communication, and distribution channel (Doyle & Stern, 2006). Third, augmented brand provides supplementary elements such as services, guarantees, and financial support (Doyle & Stern, 2006). Fourth, the potential brand is about creating brand dominance through confidence, esteem and satisfaction of customers (Doyle & Stern, 2006).

Jade and Notox’s products are integrating green material and resulting from green processes. At the basic brand’s layer, the name of Notox signifies not toxic. The product range named GreenOne is reminding the product’s green attributes, completed by using the green colour on its logo. Jade and Notox are not providing packaging for their products which would be waste after the first use, but Jade’s customers are able to buy a bag to carry the boards several times. Jade’s distribution channel is limited to France and border countries’ surf shops, in order to reduce gas emissions during transportation. The two companies are applying premium prices, reflecting the higher costs of using green materials and green processes. They are communicating on the green elements, with the GreenOne and the One Shot. At the layer of the augmented brand, Jade and Notox are offering a reparation service, preventing from buying a new product when it is not necessary. At Notox, customers are involved by the opportunity to test and contribute to elaborate the surfboards. With the use of the label “longevity, shock-resistant”, Jade is giving guarantee to its products. Jade is financially supporting the environment by donating four euros to Surfrider Foundation for every One Shot sold. At the potential brand layer, for Jade, the green positioning as “a human scale company, alternative to international brands, anti-globalization, promoting environmental quality rather than quantity” generates loyalty, esteem, confidence, and satisfaction to its customers. For Notox, the high loyalty is coming from being green in the point of view of customers. The green brand position in customer’s mind and the satisfaction of the surfboards’ performance make them rebuy. The two companies of our case study are giving green attributes to their branding, therefore doing green branding.
In order to have good brand image, the brand construction has to answer the promises to customers (Ghodeswar, 2008). As we seen with Jade and Notox, green marketing lead them to make products with effective green functional and emotional benefits. The companies have green elements at every layer of brand, communicate on green aspects, and use the certification of eco-labels. By developing green brand’s attributes, Jade and Notox are using green marketing to be seen by customers as green brands.

5.1.2. How boardsports companies implement the five I’s

Intuitive: as Grant (2007, p. 51) said “intuitive is about making breakthrough green seem normal”.

Notox and Jade are two companies that succeed thanks to nature. Indeed, they are shaping and selling surfboards and kiteboards. For them taking care of the environment is normal. Dominique Villenave of Notox decided to create a shape room, lab, for surfboards’ creation where the health and the security are at the center. Colas Ricard of Jade is passionate by surf and kitesurf since a long time and it’s normal for him to use green processes and create green products whatever the price. What they do is just a common sense. For the two companies, the fabrication process of the surfboard is green and, at the end, the board that customer surfs is totally green then it’s not difficult for people to enjoy, to shop, to live in a sustainable way (Grant, 2007). Notox and Jade fit well with this first rule of making green products seem normal, thanks to their way of thinking and their actions.

Integrative: the breakthrough idea is sustainability.

Jade and Notox have decided to make economic development by combining it with social and environmental development (Grant, 2007). These two companies do green marketing and make green products as a mean to a business end. As a first application of social development, Notox has decided to improve the quality of life of its employees thanks to its workshop respecting environmental standards. For Jade their boards are locally produced, which stimulate the economy of the city of Gigean. Furthermore, Jade is giving 4€ to an environmental association for each board sold. Moreover, concerning the technology that Notox has implemented is unique in Europe because of the treatment and air cleaning of the lab and ergonomic workstations and specialized personal protective
equipment. Jade and Notox respect this second I of Grant (2007), indeed they succeed to combine commerce, social, technology and ecology. Their main goal is to create a sustainable company, which act to improve the quality of life both now and for future generations.

**Innovative:** this I is about creating new products and new lifestyles.

Notox and Jade are innovative in a way that they offer to customer new products with higher performances than other competitors. At Notox the main product is the “GreenOne”. This board is made with EPS epoxy: lighter and stronger that other material, flax fibers and epoxy resin coated-organic. Rewarding its innovation for this board, Notox won the prize EuroSIMA Innovation and Eco-Design in 2011. For the new lifestyles, Notox, recycle every waste of the manufacturing process and especially the foam of polystyrene. In fact at Notox 98 % of the waste are recycled plus it established a chain of total recycling with a French manufacturer. Jade and Notox fits with the innovative I of Grant (2007) because they succeed to produce new innovative products and new lifestyles. Indeed the “One shot” and the “GreenOne” are both innovative in terms of materials used during the shape and also harmless for the environment because of the green process applied with environmental standards. They also created new lifestyles; they are examples in term of recycling for other companies and even for customers.

**Inviting:** by its actions for the environment, an organization creates new myths and codes, which are utopian and joyful and fun (Grant, 2007).

Notox has a unique manufacturing process in Europe, companies which create surfboards and boardsports products should inspired them with the environmental and health codes and rules that have set up Notox in the field of surfboard fabrication. The quality level of Notox is an utopia for competitors. Jade is following the same process by making handmade products, which is a plus for the quality of the product in term of durability and resistance, and the most important in term of performance. This 4th I fits with Notox and Jade because every day they are looking for better solutions to make the green marketing seem normal in setting new codes and myths. By making surfboard and kiteboards their green marketing strategy is joyful and fun and that is why is in total accordance of what calls Grant (2007, p.52) “Intuitive”.

**Informed:** green marketing is about education and participation (Grant, 2007).
For Notox and Jade, the point is to communicate on real actions order to avoid green washing. For example, customers can visit the shaperoom to see the green manufacturing process or they can rent some surfboards to test the performance of the greenOne. By these actions, they educate and make participate people in their goal to make green seem normal. Jade shows is environmental commitment with giving 4€ to Surfrider Foundation, they don’t use this eco-label to sell products but in this way Jade wants to educate people to show them how important it is to care of the environment. For Jade and Notox, the last I is in accordance with what they do to participate and educate people. Indeed they are not doing it with brand image or with communication on their green products but just in focusing on real facts.

Notox and Jade have applied the five I’s strategy of Grant (2007) in a successful manner. Indeed, the most important when companies are doing green marketing, according to Grant (2007), is to make green actions normal and especially avoid greenwashing. The Five I’s intersect with the competitive advantage. Notox and Jade both use innovation to create new product and new lifestyle.

5.2. Analysis of How Boardsports Companies Use Green Marketing as a Competitive Advantage

5.2.1. Green marketing strategy’s motivations, the fit with competitive advantage.

According to Porter (1985), a competitive strategy must be chosen regarding the attractiveness of an industry and the elements determining the competitive rivalry and the competitive position of the firm among its industry.

In the last two decades, teens, pre-teens and young adults have transformed the boardsports industry (Howard, 2003). Sustained by their demand during the last decade, there has been a phenomenal evolution of the boardsports industry (Giannoulakis, 2008). The reason of the boardsports industry’s growth comes from the increasing number of customers and their increasing buying power (Howard, 2003). Boardsports industry’s growth made relevant for Jade, Notox and other boardsports companies to enter boardsports different markets.

As we shown in the introduction of this thesis, boardsports organizations, as the other organizations, cannot ignore the importance of environmental issues in stakeholders’ opinion and
have no other choice but consider them (Jones & Salimath, 2011). The consideration of these expectations is the reason of green marketing strategies (Rivera-Camino, 2007). This finding shows that one element of boardsports industry’s competitive rivalry is based on green attributes.

Jade green marketing strategy was motivated by the belief that boardsports consumers care about environmental issues and try to minimize their impact on it during their consumption. For Notox, health is at the centre of every preoccupation. Health can be part of humanitarian or life-style, which are two meanings of green, according to McDonagh and Prothero (1997).

Industry attractiveness and competitive rivalry factors are, for Porter (1985), the determinant of competitive strategy. Regarding the attractiveness of boardsports’ markets and the fact that environmental attributes are determining the competitive rivalry, the choice of green marketing strategy by boardsports organizations is a relevant competitive strategy. Good competitive strategy is a first prerequisite to reach competitive advantage (Sharp, 1991).

5.2.2. Competitive advantage strategy induced by green marketing.

In order to reach sustainable advantage, organizations have to follow a competitive advantage strategy. The competitive advantage strategy can be cost leadership, differentiation, or focus on one of these two previous strategies (Day, 1989). Cost leadership strategy implies that a firm aims to be the low-cost producer in its industry (Porter, 1985). In order to realize it, the firm can: proceed to economies of scale, get proprietary technology, and have preferential access to raw materials. An organization trying to be unique in its industry or market is implementing differentiation strategy. The differentiation has to be based on buyers’ valued dimensions (Borna & Chapman, 1993). The organization uniquely positions itself on one or more attributes that many buyers in an industry perceive as important (Porter, 1985). The focus strategy narrows competitive strategy within a segment or group of segments in an industry, instead of applying it to the whole industry (Hahn & Powers, 2004). The organization tailors and optimizes its strategy to serve the segment or group of segments to the exclusion of others (Porter, 1985).

Jade’s main product is the One Shot and Notox’s main products range is the GreenOne. The use of One in the product names reflects that it is unique. By using One in the name, the two
companies want to induce that the product is different from other competitors’ products. Moreover, when saying “unique in Europe”, Notox is communicating on the specific characteristics of its workshop and the use of unique materials and processes. Notox emphasize on the fact that its workshop is better taking care of health and waste management, which are elements highly valued by customers. Jade is also communicating on using unique environmental materials and processes. It is positioning in opposition with international non-environmental brands. Jade and Notox are using green marketing in order to differentiate their products from competitors. By using green marketing, these two organizations are following differentiation competitive strategy.

Following differentiation competitive advantage strategy allows the organization to clench a premium price (Davies et al., 2010). For Borna and Chapman (1993) an inferior price than premium price will not reflect correctly the higher value and then lead to cancel the benefit of differentiating for the organization; and Porter (1985) emphasize this by saying that differentiation must be associated with premium price.

Jade and Notox’s green products are more expensive than other non-green products from competitors. The higher price reflects the higher costs of green materials and longer green processes. For instance, the GreenOne boards costs 799€ instead of 550€ for a traditional board. These organizations doing green marketing to differentiate them are also applying premium prices.

The differentiation can be based on the product itself with its features and performance, the services, or the technology employed (Porter, 1985).

For Jade and Notox, producing green products differentiate them from competitors’ standard products. The featured materials are a differentiation factor. The product feature attributes of the green branding are also differentiating Jade and Notox from their competitors. Moreover, they provide a repair service. Jade guarantees the longevity of its products with its claim label and gives financial support to the eco-label Surfrider Foundation. Jade and Notox are using innovative green processes to shape the boards; this, certified for instance by the label Green Voice for Notox. The two companies are adding green services to their brand and employing green technologies, increasing the effect of differentiation.
Differentiation strategy requires that a firm choose distinct differentiated attributes from its competitors’ attributes (Davies et al., 2010). The aim for the firm is to be truly unique (Davies et al., 2010).

Jade and Notox are continuously searching for new green or greener materials and processes. Innovation is an important component in the implementation of the differentiation. By having innovative specific materials and processes, Jade and Notox are doing “better than the competitors do” by basing their differentiation on specific attributes.

5.2.3. Green marketing’s use of the value chain to gain competitive advantage.

In the value chain, the firm’s activities have to be divided when they are technologically and strategically distinct (Lancaster & Walters, 2000).

Based on our case study, in order to respect environmental requirements, boardsports organizations have to divide each step of the product process. Every step has to fulfil special environmental objectives. Jade’s production process makes the products move in seven different rooms. These rooms need different technologies in order to respect environmental requirements. Notox workshop is also divided into rooms answering specific environmental requirements. At Notox, a room is dedicated to the use of the few toxic materials with an air treatment system, while another room is dedicated to sorting, recycling and recovering production’s waste. In order to respect environmental requirements, boardsports companies are dividing their activities according to the technologies used. Environmental commitment coerces Jade and Notox to divide their activities at every step of the process.

Once the activities are divided and tailored, the scope of a firm’s activities has to be spread to every unit in order to gain competitive advantage (Glaser, 2006).

Jade and Notox’s value chain are tailored and the environmental scope is spread to every step. Therefore, the green attributes are added at every step of green organizations’ value chain.

Following a green competitive strategy coerces Jade and Notox to have green activities. Their support and primary activities are linked thanks to green marketing. At the level of the support activities, their infrastructures are divided to answer environmental requirements; employees, human
resources, are all committed to environmental requirements; the technologies used are green; their procurement is focused on green materials. At the level of the primary activities, the logistics is optimised in order to reduce greenhouse gas emissions; their operations take care of employees’ health and of the environment; they are doing green marketing and communication; finally Jade and Notox implement green services. The two organizations of our case-studies are using the value chain in order to follow their green competitive strategy.

Adding value at each step of the chain (Wever, 1996) and the exploitation of interrelationship among the value chain can generate competitive advantage (Glaser, 2006).

Following environmental involvement implicates that every activities and every employees are committed to it. Notox’s employees have to communicate about environmental processes and cooperate during the production process in order to keep producing green products and the eco-labels’ certification. Jade and Notox implemented green design, productions are green, they are communicating on green attributes. Because of the green attributes, the two boardsports organizations’ activities are synchronised. Organizations activities are cooperating in order to fulfil the green competitive strategy. Green marketing is creating linkage among activities that are central to competitive advantage (Glaser, 2006).

Green marketing strategies make the two boardsports organizations of our case study implement the value chain for the reason that it allows them to better respect environmental criteria and thence follow their competitive strategy. Their green marketing makes every activity of the value chain green and creates linkage among them.

5.2.4. The use of green marketing to reach sustainable advantage.

The aim of using a competitive strategy is to reach sustainable advantage. Through differentiation, sustainable advantage can be reach in creating difficulties to imitate (Reimann, 1989). For DeFillipi and Reed (1990), tacitness, complexity, and specificity among the firm’s skills and resources permit to generate ambiguity and raise barriers to imitation. To give a moving target able to face the fact that barriers are never insurmountable by competitors (Sheehan, 2009). According to
DeFillipi and Reed (1990), the key to make competitive advantage sustainable once it is reached is to reinvest.

In order to make their products more difficult to imitate, Jade and Notox use green branding to create barriers. Among the different elements of green branding, eco-labelling is the best to create the required barriers. The time to obtain and the adaptations eco-label requires make them imitation’s barriers. Eco-labels are long to obtain for the reason that they result from accreditation process. It is also common that a firm has to adapt in order to get an eco-label certificate. Notox uses its quality charter that no other organization can have. Jade owns the claimed-labels which are applying on its products; no other organizations can use the same labels. Jade and Notox are integrating new green materials and processes in order to innovate and stay differentiated. Innovate in greener materials and processes contribute to sustainable advantage in two points. First, by upgrading the products and method, it gives a moving target to the competitors. Second, through innovation, the two companies are reinvesting in their competitive strategy.

At last, confidence, esteem and satisfaction of customers give the possibility of high profit margins and long term brand loyalty (Doyle & Stern, 2006). Moreover, customer loyalty is needed to maintain sustainable advantage. It generates more stable and less risky earning streams, avenues for further growth (Doyle & Stern, 2006).

Jade’s positioning as “a human scale company, alternative to international brands, anti-globalization, promoting environmental quality rather than quantity” and Notox’s green positioning are associated with effective green products. The functional and emotional benefits given by Jade and Notox satisfy customers and lead them to make rebuys. Jade and Notox’s green marketing create loyalty; therefore they use green marketing to have sustainable advantage.

6. Conclusion

6.1. Conclusion of How Green Marketing Is Used as a Competitive Advantage

The aim of this thesis was to answer the research question: how green marketing is used as a competitive advantage?
This thesis firstly investigated the concepts of competitive advantage and green marketing. Competitive advantage is about choosing the right strategy for an organization, in order to provide superior benefits than competitors to customers. To understand how to reach it, this thesis presented the concepts of the value chain, the three generic strategies with low-cost leadership, differentiation and focus, the customer satisfaction, and sustainable advantage. Green marketing regards the “activities that recognize environmental stewardship as a business development responsibility and business growth opportunity” (Coddington, 1993, p. 1). This thesis studied Grant’s two green marketing models, the five I’s and the marketing grid, eco-labels, and green branding.

Then, this thesis leaded a qualitative data collection with the multiple case-study of Jade and Notox, two French boardsports organizations. The interviews of Colas Ricard, Jade’s founder, and Dominique Villenave, Notox’s co-founder, connected with the collection of secondary data provided empirical materials.

The analysis of the collected empirical materials with the theories of green marketing and competitive advantage enabled to answer this thesis’ research question.

This thesis found that jade and Notox are using green marketing by respecting the five I’s of Grant, using eco-labels, and doing green branding.

Jade and Notox’s actions are matching with the five I’s of Grant (2007), which represent the five steps to implement an effective green marketing strategy. To succeed it, the main aim of this model is to make green actions seem normal. We found that for the two companies it is logical to make green products and follow green processes. In order to make their actions seem more normal and true, they are using eco-labels as proofs. Finally, Jade and Notox are also implementing green branding at the four layers of brand (Doyle & Stern, 2006).

By using these green marketing models and theories, Jade and Notox are differentiating them from competitors. Indeed, differentiation is one of the three generic strategies to reach competitive advantage (Porter, 1985).

The attributes of Jade and Notox’s green branding which differentiate them are, for instance, the main product’s name of Jade and Notox is using the word “One”, emphasizing the specificity; they are applying a premium price, reflecting the superior value of green products and prerequisite of
following the differentiation competitive strategy; they offer a repair service and Notox also offer the opportunity to test the products, unique green services; they guarantee the green features of their products by using eco-labels; Jade distributes through local distributors, reducing greenhouse gas emissions; the functional and emotional green benefits of their product generate satisfaction, esteem, and loyalty from customers, necessary to sustain a differentiated advantage.

Jade and Notox tailored their production line on order to fit with environmental standards. The green added value at each step and the communication between them are necessary when doing a true green marketing. In accordance with the model of the value chain, these generate competitive advantage.

In order to keep their competitive advantage, Jade and Notox are using eco-labels and environmental quality charter to set barriers to imitation. They also innovate in greener materials and processes to stay differentiated. These contribute to create sustainable advantage.

Jade and Notox use the five I’s, eco-labels, and green branding, components of green marketing to differentiate them. This differentiation generates competitive, sustainable, advantage. Green marketing brings differential elements enabling the two organizations to have a competitive advantage.

6.2. Suggestions

This thesis could have better answered the research question if its analysis was not limited to two organizations, Jade and Notox. Therefore, we suggest in later works to implement a quantitative research. The quantitative research would able to collect data from more companies. Therefore, it would able to realize a wider analysis.

In addition, the qualitative method used in this thesis was focused in one industry, the boardsports industry. We suggest for a future study to analyse more companies from different industries. This could be done thanks to a quantitative research approach, or thanks to a qualitative research approach in another industry. A comparison could be then established.
Furthermore, the empirical analysis was based on one small and one medium French company. We suggest investigating the use of green marketing as a competitive advantage in different countries and in big companies.

This thesis considered the concepts of green marketing and competitive advantage from the organizations’ point of view. For further study, it would be interesting to include, in a same way, the customer point of view.

Moreover, this thesis was limited by its time perspective, restricted to the situation in 2012. However green marketing remains new and evolutionary. For this reason, we suggest that further works consider green marketing evolution by analysing its changes, new models, theories, and implementation.

Finally, this thesis analysed the relationships between two concepts, green marketing and competitive advantage. We suggest investigating these relationships adding the effects of other concepts influencing the competitive advantage process.
7. Reference List


8. Attachment 1

![Value chain figure](http://www.mbaknol.com/strategic-management/value-chain-analysis/)
### Three generic strategies

<table>
<thead>
<tr>
<th>COMPETITIVE SCOPE</th>
<th>COMPETITIVE ADVANTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad target</td>
<td>Lower Cost</td>
</tr>
<tr>
<td></td>
<td>1. Cost Leadership</td>
</tr>
<tr>
<td></td>
<td>2. Differentiation</td>
</tr>
<tr>
<td>Narrow target</td>
<td>3A. Cost Focus</td>
</tr>
<tr>
<td></td>
<td>3B. Differentiation Focus</td>
</tr>
</tbody>
</table>

**Source:** Porter (1985).

doi:10.1108/08858620610672623
10. Attachment 3

*The different meanings of green*

![Diagram](http://labspace.open.ac.uk/mod/resource/view.php?id=345343)
11. Attachment 4

*Three types of environmental performance labelling - ISO definitions*

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type I</td>
<td>A voluntary, multiple-criteria based, third party program that awards a license which authorizes the use of environmental labels on products indicating overall environmental preferable of a product within a product category based on life cycle considerations.</td>
</tr>
<tr>
<td>Type II</td>
<td>Informative environmental self-declaration claims.</td>
</tr>
<tr>
<td>Type III</td>
<td>Voluntary programs that provide quantified environmental data of a product, under pre-set categories of parameters set by a qualified third party and based on life cycle assessment, and verified by that or another qualified third party.</td>
</tr>
</tbody>
</table>

As of July 2004, international ISO standards have been developed and implemented for Type I and Type II labelling, while work continues on development of a standard relating to Type III. Consequently, the ISO definition for Type III should be considered a "draft working definition" that could be revised.

12. Attachment 5


![Diagram showing product and service components and brand development stages.](image-url)
13. Attachment 6

14. Appendix 1

The green marketing grid, hierarchical levels [1]

<table>
<thead>
<tr>
<th>Level</th>
<th>A. Green</th>
<th>B. Greener</th>
<th>C. Greenest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Public Company &amp; Markets</td>
<td>Set an Example</td>
<td>Develop the Market</td>
<td>New Business Concepts</td>
</tr>
<tr>
<td>2. Social Brands &amp; Belonging</td>
<td>Credible Partners</td>
<td>Tribal Brands</td>
<td>Trojan Horse Ideas</td>
</tr>
<tr>
<td>3. Personal Products &amp; Habits</td>
<td>Market a benefit</td>
<td>Change Usage</td>
<td>Challenge Consuming</td>
</tr>
</tbody>
</table>

- Set new Standards
- Communicate
- Share responsibility
- Collaborate
- Support Innovation
- Culture Reshaped

}
The green marketing grid, category headings,

1. Public Company & Markets
   - Framing vs. Pointing
   - Social Production vs. Property

2. Social Brands & Belonging
   - Eco-labels vs. Cause Related
   - Exclusive vs. Inclusive
   - Tradition vs. New cool

3. Personal Products & Habits
   - Less vs. More
   - Switch vs. Cut
   - Treasure vs. Share

Set new Standards Communicate
Share responsibility Collaborate
Support Innovation Culture Reshaped
Jade and Notox interview guidelines.

<table>
<thead>
<tr>
<th>Green Marketing</th>
<th>Motivations</th>
<th>Strategy</th>
<th>Structure</th>
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<tbody>
<tr>
<td>Green Products</td>
<td>-Products</td>
<td>Fabrication Process</td>
<td>-Production cost</td>
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<tr>
<td></td>
<td>-Services</td>
<td></td>
<td>-Selling Price</td>
</tr>
<tr>
<td>Eco-Label</td>
<td>What Labels?</td>
<td>What criteria?</td>
<td>Synergy</td>
</tr>
<tr>
<td>Green Branding</td>
<td>Basic Brand</td>
<td>Augmented Brand</td>
<td>Potential Brand</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Green = Advantage?</td>
<td>Based On: Cost leadership -Differentiation -Focus</td>
<td>Label=Advantage?</td>
</tr>
<tr>
<td>Sustainable advantage</td>
<td>Action to keep the competitive advantage</td>
<td>Return on investment</td>
<td></td>
</tr>
</tbody>
</table>