Strategic Green Marketing
- a comparative study of how green marketing affects corporate strategy within business to business

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Bachelor thesis
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Abstract
The purpose of this study is to examine how strategic green marketing can be developed and what incentives there are for companies to do so. To fulfil the objectives of this thesis, four research questions were formed and a qualitative case study was conducted of three business to business companies from different industries. Interviews allowed the authors to gain insight as to how companies develop their green marketing strategies and for what reasons. The results indicate that most companies are not segmenting their target markets based on the consumers’ environmental attitude. Findings also indicate that green market strategies differ for each company and must be derived from a company’s individual circumstances including its objectives, resources and competitive advantages. Furthermore, the findings show that most companies can implement green changes in their marketing mix but that these should only be actively promoted when a product’s green attributes constitutes a key selling point. Finally, the findings indicate that financial benefits, and the possibility of gaining a competitive advantage, are the foremost incentives for implementing green measures.
Acknowledgment

This bachelor thesis was written as part of our education at the Business Program at Luleå University of Technology. The thesis was completed in June 2009 after approximately 10 weeks of research and writing. After writing this thesis we gained a much deeper understanding of strategic green marketing, both in theory and practice.

There are several people who have been instrumental to us and whose contribution we truly appreciate. First, we would like to thank our supervisor, Rickard Wahlberg, for his support and guidance throughout this course. We would also like to thank our seminar group, in particular our opponents, for their invaluable feedback, suggestions and insight. Finally, we would like to extend our deepest gratitude to Kjell Skogsberg at Snowpower AB, Anders Hallberg at Exait AB and Erik Spinnel at Wibax AB. Thank you for your time and generosity. This thesis would not have been possible without your input.

Luleå University of Technology 2009-06-11

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## Contents

1. Introduction and Discussion of the Research Problem ........................................ 1
   1.1 Introduction .................................................................................................................. 1
   1.2 Problem Discussion ......................................................................................................... 2
       1.2.1 Delimitation ........................................................................................................ 4

2. Frame of Reference ........................................................................................................ 5
   2.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? ................................................................. 5
       2.1.1 Shades of Green Segments .................................................................................. 5
   2.2 RQ2: How do companies choose their green marketing strategy? ............................. 6
       2.2.1 The Green Marketing Grid .................................................................................. 6
       2.2.2 The Green Marketing Strategy Matrix ................................................................. 9
   2.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? ................................................................................. 11
       2.3.1 Green Marketing Activities ................................................................................ 11
   2.4 RQ4: How do companies obtain a competitive advantage through their green marketing? ......................................................................................... 13
       2.4.1 Generic Competitive Environmental Strategies .................................................. 13

3. Methodology .................................................................................................................... 16
   3.1 Literary Search .............................................................................................................. 16
   3.2 Research Strategy and Approach ................................................................................ 16
   3.3 Case Selection ............................................................................................................... 16
   3.4 Data Collection ............................................................................................................ 17
   3.5 Method of Analysis ...................................................................................................... 18
   3.6 Method Problems ......................................................................................................... 18

4. Empirical Data ................................................................................................................... 20
   4.1 Case One: Snowpower AB .......................................................................................... 20
       4.1.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? ............................................................. 20
       4.1.2 RQ2: How do companies choose their green marketing strategy? ...................... 21
4.1.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? ........................................... 21

4.1.4 RQ4: How do companies obtain a competitive advantage through their green marketing? ...................................................... 22

4.2 Case Two: Exait AB ................................................................................................................ 22

4.2.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? .................................................... 23

4.2.2 RQ2: How do companies choose their green marketing strategy? ..................................................... 23

4.2.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? .................................................................. 23

4.2.4 RQ4: How do companies obtain a competitive advantage through their green marketing? .................................................................. 24

4.3 Case Three: Wibax AB ............................................................................................................. 24

4.3.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? ....................................................... 25

4.3.2 RQ2: How do companies choose their green marketing strategy? .................................................. 25

4.3.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? .................................................................. 26

4.3.4 RQ4: How do companies obtain a competitive advantage through their green marketing? .................................................................. 26

5 Data Analysis ....................................................................................................................................................... 27

5.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? .................................................................. 27

5.2 RQ2: How do companies choose their green marketing strategy? ...................................................... 27

5.2.1 The Green Marketing Grid .................................................................................................................. 27

5.2.2 The Green Marketing Strategy Matrix ................................................................................................. 30

5.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? .................................................................. 31

5.4 RQ4: How do companies obtain a competitive advantage through their green marketing? .................................................................. 32

6 Findings ................................................................................................................................................................. 35

6.1 RQ1: How do companies segment their market based on business consumers’ green tendencies? .................................................................. 35

6.2 RQ2: How do companies choose their green marketing strategy? ...................................................... 35
Contents

6.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix? .............................................................................................................................................. 35

6.4 RQ4: How do companies obtain a competitive advantage through their green marketing? .............................................................................................................................................. 36

6.5 Recommendations and Implications ........................................................................................................... 36

7 Conclusion ......................................................................................................................................................... 37

References .......................................................................................................................................................... 38

Appendix A: Interview Guide in English
Appendix B: Interview Guide in Swedish
Appendix C: ISO 14001, EcoDriving and REPA
List of Figures and Tables

Figures
Figure 2:1 The Green Marketing Grid - Category Headings.................................................. 7
Figure 2:2 The Green Marketing Grid – Hierarchical Levels.................................................. 8
Figure 2:3 The Green Marketing Strategy Matrix.................................................................. 10
Figure 2:4 Generic Competitive Environmental Strategies................................................... 14
Figure 5:1 Illustration of Green Marketing Grid Strategies as used by each case.................. 30
Figure 5:2 The Competitive Environmental Strategies as used by each case....................... 34

Tables
Table 2:1 Green Marketing Activities at the Three Levels....................................................... 12
Table 5:1 Summary of the Green Marketing Grid Strategies used by cases.......................... 28
1 Introduction and Discussion of the Research Problem

This chapter will provide a background and a discussion of the research problem of this thesis, which aims to examine companies’ use of green marketing strategies. At the end of the chapter the research problem is stated along with the related research questions.

1.1 Introduction

Green marketing has been an important academic research topic since it came about (Coddington, 1993; Fuller, 1999; Ottman, 1994). Attention was drawn to the subject in the late 1970’s when the American Marketing Association organised the first ever workshop on ‘Ecological Marketing’ in 1975 which resulted in the first book on the subject, entitled ‘Ecological Marketing’ by Henion and Kinnear in 1976.

The first definition of ‘green marketing’ was according to Henion (1976); “the implementation of marketing programmes directed at the environmentally conscious market segment” (Banerjee, 1999, p.18).

Peattie and Crane (2005) claims that despite the early development, it was only in the late 1980’s that the idea of green marketing actually made an appearance, because of the consumers’ growing interest in green products, increased awareness and willingness to pay for green features. Henion’s (1976) definition of green marketing has evolving and many more definitions of green marketing have arisen throughout the years. One of the latter definitions is Fuller’s (1999, p. 4):

The process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organisational goals are attained, and (3) the process is compatible with ecosystems.

The first indication of consumer interest in green products came through Vandermerwe and Oliff’s (1990) survey. This stated that more than 92% of European multinationals claimed to have changed their products in response to green concerns and 85% claimed to have changed their product systems (Peattie & Crane, 2005). Green product introductions increased by more than double to 11.4% of all new household products in the USA between 1989 and 1990, and continued to rise to 13.4% in 1991 (ibid.).

However, this optimistic start to the 1990’s was not sustained (Peattie & Crane, 2005. A report conducted by Mintel in 1995, showed only a very slight increase in green consumers since 1990, and showed a significant gap between concern and actual purchasing (ibid.). This can be attributed to the fact that consumers do not want to compromise on price, quality or convenience when conducting a ‘green’ purchase (D’Souza et al., 2006). The frequency and prominence of green claims was also found to be in decline (Peattie & Crane, 2005). So instead of the “green revolution” in marketing forecasted for the 1990s, companies became more cautious about
launching environmentally-based communications campaigns for fear of being accused of “greenwashing” (ibid). This is when a company hides the true effect of its products or actions on the environment, by making it seem as though the company is very concerned about the environment (Greenwashing, 2009).

Even though this revolution did not occur as predicted, the interest in the topic has not died down. Grant (2007, pp. 20-24) claims that green marketing is at a tipping point and that what we do next will decide if the topic continues to develop and gain momentum.

1.2 Problem Discussion

The ongoing marketing paradigm, according to Peattie (1999, p. 57), is based on using the earth’s resources and systems in an unsustainable manner. The traditional view on corporate social responsibility, which argues that corporation manager’s and director’s only responsibilities are to the “owners” of the firm and to maximise profit, started changing in the early nineties to include a responsibility not only to those with a vested interest in the corporation (Klonoski, 1991). Instead a company must consider the effect of its actions on all stakeholders, including nature and animals (ibid.).

Many of the serious environmental issues we face are due to modern development and the pursuit of economic growth (Peattie, 1999, p. 58). Shrivastava claims that in order to tackle these matters, a paradigm shift to sustainable production and consumption will need to take place (referred by Peattie, 1999, p. 58). However, making these crucial changes occur requires more than individual change; change on a societal and economic level will be necessary (Grant, 2007, p. 47; Hartmann & Ibáñez, 2006). Hence, governments will need to commit to developing forward thinking environmental policies (Peattie, 1999; Grant, 2008). Corporations must integrate greening into their business strategy and invest in the development of it as they would any other aspect of their business (Polonski & Rosenberger, 2001). Finally, the consumers have to actually purchase the environmentally friendly products they, so far, only claim to be interested in (Ginsberg & Bloom, 2004). In the end though, going green needs to make business sense for the corporation and not require a compromise on product attributes for the consumer (ibid.).

Marketers have a tremendous potential to help make this shift happen by pushing organisations to implement some form of a green marketing strategy (Peattie & Crane, 2005; Grant, 2007, p. 32). Marketers have the power to help ‘sell’ new lifestyle ideas (Grant, 2007, p. 1) According to Ottman (1993) green marketing serves two key objectives:

1) To develop products that incorporate consumers’ needs for convenience, affordable pricing and performance while having a minimal impact on the environment.
2) To project an image of high quality, including environmental aspects, both in regards to product attributes and the manufacturer’s track record for environmental compliance.
If a paradigm shift from conventional to green marketing occurs, corporations will need to incorporate sustainability into their strategies or risk being left behind (Grant, 2008). It will be important for organisations and marketers to be well-versed on the subject and have a thorough understanding of green marketing and how it can create value.

Since the mid-nineties environmental legislation has increased, leading to a higher level of awareness of environmental issues in the business community and many corporations being required to consider these issues in their strategic planning in order to meet stricter environmental standards (Banerjee, 1999, p. 18; Olson, 2008). Regardless of legislation and standards many people are calling for corporations in general to take more responsibility for their actions and the consequences thereof.

Green marketing concept is fairly young and as a consequence it has not been extensively explored or research yet (Grant, 2007, p. 9; Hartmann & Ibáñez, 2006; Baker & Sinkula, 2005). Olson (2008) claims that while many corporations have implemented some form of green initiative, very few have actually established an enterprise-level green strategy. He further states that, while it may vary depending on industry and possibly by individual business, early adoption of a formalised and well-articulated green strategy can allow companies the opportunity of a competitive advantage. Considering Olson’s statement, one wonders how corporations, that have indeed incorporated some form of green thinking into the business, have done so and for what reasons. Therefore, the purpose of this study is to gain a deeper understanding of the subject of strategic green marketing by examining how strategic green marketing can be developed and what incentives companies have to do so. In order to fulfil this purpose, four research questions were developed.

One objective of a marketing strategy is to optimise the marketing mix in relation to the wants and needs of the target market (Fuller, 1999, p. 330). Data from the targeted business consumers can provide valuable input for the decision making process (ibid. p. 320). Fuller (1999, p. 330) further states that mass-undifferentiated marketing will often fail to ensure customer satisfaction and profit and that segmenting the market provides a more realistic market interpretation. The first research question is therefore:

**RQ1: How do companies segment their market based on business consumers’ green tendencies?**

Polonsky and Rosenberger (2001, p. 22) claim that “in true green marketing, environmental issues become an overriding strategic corporate focus rather than simply one strategic action”. When forming a green marketing strategy it is important to realise that, just as in conventional marketing, there is no single strategy that will work for all companies (Ginsberg & Bloom, 2004; Fuller, 1999, p. 330). Instead each company must examine what strategy will work best depending on its own individual objectives, resources, target market, competitive conditions and so on (Polonsky & Rosenberger, 2001). According to Olson (2008), many companies pass up
significant benefits because they do not look at green opportunities in a strategic context. This brings us to research question two:

**RQ2: How do companies choose their green marketing strategy?**

Implementing a green marketing strategy requires a fundamental, holistic, integrated approach across all functional marketing areas, including the entire marketing mix of targeting, pricing, design, positioning and promotion (Polonsky & Rosenberger, 2001). According to Fuller (1999, p. 109), only companies that are truly committed to environmental concerns and are willing to translate those concerns into action through marketing mix decisions can develop viable green marketing strategies. Due to these facts, research question three was developed:

**RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?**

Authors such as Porter and van der Linde (1995) and Elkington (1994) argue that environmentally superior strategies exist, which can create a competitive advantage by stimulating innovation and tapping into consumer concerns. Fuller (1999, p. 39) states that worldwide corporate practices suggest that a competitive advantage can indeed be earned and companies not implementing a green marketing strategy will be viewed as uncompetitive, unresponsive, and out of touch with emerging global markets. However, others argue that greening strategy is difficult to do in practice (Walley & Whitehead, 1994). Managers need strategies that transform environmental investments into sources of competitive advantage by optimising the economic return on their investments (Orsato, 2006). This lead to the fourth, and final, research question:

**RQ4: How do companies obtain a competitive advantage through their green marketing?**

**1.2.1 Delimitation**

Although the business-to-consumer (B2C) segment is a major contributor to the damage of the global environment and that a significant change in attitude is necessary, this thesis will only focus on the business-to-business (B2B) segment. The study is not limited to one industry but is examining a range of B2B firms with the purpose of gaining a deeper understanding of green marketing strategies in an overall business context. Most research conducted on the topic of green marketing is focused on the B2C market and the author’s consider there to be a significant lack of knowledge available when it comes to the B2B market. Furthermore, the authors’ were intrigued by the apparent opportunities available to companies choosing to go green.
2 Frame of Reference

This chapter presents previous scientific theories and models which will provide the foundation for analysis and discussion. These have been chosen based on the research problem and the research questions presented in Chapter 1. Theory on the topics of segmenting, strategic options, marketing mix and competitive advantage will be reviewed.

2.1 RQ1: How do companies segment their market based on business consumers’ green tendencies?

The first step in developing a green strategy is to gain an understanding of whether a product’s green attributes is a suitable selling point when it comes to the target consumer (Ginsberg & Bloom, 2004). Therefore, this section will present a framework for segmenting the business consumers based on their interest in green product features.

2.1.1 Shades of Green Segments

As previously mentioned, Fuller (1999, p. 330) advocates knowing what your target market needs and wants, and for this you need the appropriate market data. The identification of green market segments are often done by measuring individual consumer’s green tendencies (Fuller, 1999, p. 331; Coddington, 1993, p. 83).

Pursuant to Fuller (1999, p. 330) the Roper Organization conducted a ground breaking study in 1990, which lead to the most commonly known green market segments based on consumers’ environmental attitudes, called ‘Shades of Green Segments’. This theory was developed for the B2C market. No similar segments have been researched and identified in regards to the B2B market. For this study, the author’s have attempted to modify the segments and behaviours found in B2C in order to reflect B2B business and buying behaviour. The reason for using and modifying this theory in this study is to examine whether corporation’s environmental attitudes are a factor when companies segment target markets. The following modified segment descriptions are based on the ‘Shades of Green’ characteristics as referred by Fuller (1999, pp. 335-336; Ginsberg & Bloom, 2004):

**True Blue Greens:** This group is characterised by business consumers who are committed, hard-core environmentalists who are highly involved in pro-environmental activities and are often activists and leaders in such organisations. They often interact with politicians and make monetary contributions to environmental issues. True Blue Greens are very likely to avoid products that are not made by environmentally conscious companies (Ginsberg & Bloom, 2004). This type of company also demands that its partners and suppliers have a strong environmental commitment.

**Greenback Greens:** This group is similar to the True Blues however, few Greenbacks are politically active. The most distinguish characteristics of this group is that they are often willing
to pay a premium for environmentally sound products. Greenbacks also look for suppliers and business partners that are concerned with the environment.

**Sprouts:** According to Ginsberg and Bloom (2004) this group does not usually purchase green products but are capable of doing so, if they are marketed to them in an appropriate way. Furthermore, they tend to believe in environmental causes only in theory, not in practice. Despite this, they rank well above companies overall on when it comes to environmental requirements and standards. This makes the group a key swing group.

**Grousers:** Grousers are normally not well versed in environmental issues and do not believe they are capable of effecting change (Ginsberg & Bloom, 2004). These companies engage in a below average amount of pro-environmental activities and requirements. They also tend to claim that they have many reasons for not doing more for the environment. In addition, they also consider greening their processes, product development and their choice in suppliers to be too expensive (Ginsberg & Bloom, 2004).

**Basic Browns:** These business consumers are indifferent to environmental and social issues. Instead they choose to focus on their everyday concerns, allowing these concerns to take up all of their time. They are not interested in making an effort to green their business practices or products in any way and they do not see any benefit in doing so.

**2.2 RQ2: How do companies choose their green marketing strategy?**

Developing a strategy, of any kind, is a complex undertaking which can be facilitated with the help of theoretical frameworks. Therefore, this section will present two models, *The Green Marketing Grid* (Grant, 2007, pp. 57-273) and *The Green Marketing Strategy Matrix* (Ginsberg & Bloom, 2004) which will be used to analyse a corporation’s strategic options within green marketing.

**2.2.1 The Green Marketing Grid**

Grant views green marketing as “a creative opportunity, to innovate in ways that make a difference and at the same time achieve business success” (2007, p. 10). He has developed the Green Marketing Grid, consisting of 18 different types of green marketing aimed at making green alternatives seem normal and accepted (2007, p. 10, 59). They are laid out in two 3 x 3 grids. The first grid is illustrated in Figure 2:1.
Grant says that the three column categories refer to what degree the marketing activity contributes; if it does more than just sell a product/company.

**A. Green – setting new standards:** These activities focus on applying a classic marketing approach to greener products, brands and companies. Greener meaning greener than the substitutes and competitors. These companies have got their act together and have modified their supply chain, sourcing, distribution and so on. The result shows mainly in the commercial outcome. Sustainability targets are constantly updated and, therefore, companies must do the same. The key is to be truthful about what you are doing, committing to and even how you are fixing what was not right before; stay away from any form of greenwashing.

**B. Greener – sharing responsibility:** Targeted at inciting more enthusiasm about a product than just to say ‘buy our brand’. It involves giving the consumers a chance to contribute and participate by sharing the responsibility with them. The result is a bigger outcome than just the commercial results. Relative to their competitors, these companies have stronger green credentials and are differentiated by what they bring to the market.

**C. Greenest – supporting innovation:** Focused on making cultural changes in order to substantially change how and what people consume. The central issue is two-fold, to create radically different and better offers through innovation and then to make them feel intuitive, familiar and easy to adopt.

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**Figure 2:1 The Green Marketing Grid - Category Headings.** From "The Green Marketing Manifesto" by J. Grant, 2007, Cornwall, TJ International Ltd, p 1.

<table>
<thead>
<tr>
<th>Category Headings</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
|------------------|------------|----------------------|------------|------------------|

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*Frame of Reference*
According to Grant the three horizontal levels show the hierarchical levels of marketing (and in culture in general). Within each of the grid’s nine categories lie different strategic approaches. These make up the second 3 x 3 grid and are illustrated in Figure 2:2.

**Figure 2:2 The Green Marketing Grid – Hierarchical Levels.** From “The Green Marketing Manifesto” by J.Grant, 2007, Cornwall, TJ International Ltd, p 70.

**A1. Framing vs. Pointing:** Policy can be strategically presented within a familiar, intuitive and accessible frame, or when it is something you want to oppose the framing can be alien, scary and threatening. What is said within an accepted frame becomes common sense. **Pointing** entails highlighting specific actions that are being taken by a company. The goal is not to portray the company as a saint, as this invites scrutiny, but to show that the firm is making an effort.

**A2. Eco-labels vs. Cause Related:** Both of these strategies involve partnering with something else that has more environmental integrity. **Eco-labels** allow the consumer to categorise products and help them avoid those that are not eco-friendly. The **cause-related** approach entails partnering with an organization of pure purpose, such as a charity. By supporting the good deeds of others a company can avoid making value claims of their own.

**A3. Less vs. More:** The less approach means cutting out features that do not add to the functionality of the product and giving the customer value for money. This strategy will appeal to consumer’s common sense and not just those concerned with environmental issues. The more strategy is mainly used by premium brands focused on value adding features.

**B1. Educate vs. Evangelise:** The educate strategy serves to bring about change by educating the public so that consumers can make better choices and contribute to helping the environment in more ways. **Evangelising** is about recruiting people to a progressive point of view through
marketing such as ad campaigns. The purpose is to make a radical position seem normal in order to get mainstream people involved.

B2. Exclusive vs. Inclusive: The exclusive concept focuses on making green more attractive to the mainstream by using celebrities and similar devices. An alliance is formed in order to make green products attractive and superior in terms of design and functionality; products which consumers can show off. This approach works with consumerism while the inclusive approach works against it. Inclusive brands are often creative, playful, generous and inclusive but at the same time disciplined in their sustainability on an internal level.

B3. Switch vs. Cut: The core idea behind the switch strategy is to make sure changing your behaviour for the better involves minimum cost, effort and sacrifice. The greener alternative should be nearly identical otherwise and offered at same price or a small premium. The cutting strategy attempts to reduce purchasing or to reduce use once the goods are bought. This usually entails advocating a change in behaviour.

C1. Social Production vs. Property: These strategies involve the interplay of (amateur, enthusiast) prosumers (professional consumers) with commercial ventures. The social production takes place mainly on the internet, where the collective labour of amateurs builds viable products and content. Business models can be voluntary such as Wikipedia or involve both as in the case of Amazon’s product reviews.

C2. Tradition vs. New cool: New versions of traditions can be used to persuade people to adopt new patterns of living by making green products and lifestyles seem more familiar and normal. The new cool strategy involves making a green brand into a cool brand by borrowing strategies from the fashion industry.

C3. Treasure vs. Share: This approach views resources as luxuries that should be treasured and advocates purchasing durable luxurious goods instead of disposable low-quality items. Our culture, to some extent, equates spending with a higher status; we waste to prove that we are not poor. The share strategy focuses on making sharing, renting or otherwise not owning culturally accepted in order to reduce consumption and waste.

2.2.2 The Green Marketing Strategy Matrix
Ginsberg and Bloom (2004) have come to the conclusion that there is no single green marketing strategy that is right for all corporations. They have developed four strategies that range from relatively passive and silent “lean green” approach to a more visible and aggressive “extreme green” approach; in between are “defensive green” and “shaded green”. Their Green Marketing Matrix is illustrated in Figure 2:3.
Ginsberg and Bloom (2004) say that these green marketing strategies should be derived from the likely size of the green market in their industry and the company’s ability to differentiate their products based on greenness.

**Lean Green**: Companies with this strategy do not emphasise publicising or marketing their green initiatives even though they make efforts in trying to be good corporate citizens. Their interest lies in reducing costs and improving efficiencies through pro-environmental activities, thus creating a lower-cost competitive advantage, not a green one. For companies such as these, substantial amounts of money are not to be made from the green market segments. Instead, the main drive is to comply with regulations and finding pre-emptive solutions in the long-term. Concerned with being held to a higher standard which they cannot always live up to or differentiate themselves from competitors, Lean Greens are often hesitant to promote their green activities or green product attributes. Announcing green initiatives may cause all products to be labelled as green which may not be beneficial and therefore, creating a separate brand for environmentally friendly products is a safer approach.

**Defensive Green**: This strategy uses green marketing in response to a crisis, as a precautionary measure, or a response to actions made by competitors. Defensive Greens have identified green market segments as important consumers that they cannot afford to alienate and will attempt to mitigate damage and enhance brand image. They do not spend resources on aggressive promotion of greenness as this would create expectations that they cannot meet, unless it would yield a sustainable competitive advantage.

**Shaded Green**: Shaded Greens make substantial financial and non-financial commitments by investing in long-term, system wide, environmentally friendly processes. These companies are capable of significantly differentiating themselves and gaining competitive advantages through
greenness, but choose not to do so as they can make more money by highlighting other attributes. Environmental features are promoted as secondary benefits.

**Extreme Green**: These types of companies are based on holistic philosophies and values, fully integrating environmental issues into the business and product life-cycle. Greenness has often been the major driving force behind these companies from the very beginning. They engage in life-cycle pricing approaches, total-quality environmental management and manufacturing for the environment. Extreme Greens’ products and services usually serve niche markets.

2.3 **RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?**

According to Polonsky and Rosenberger (2001), responsible green marketing has developed into a complex, strategic, integrated and tactical process where traditional marketing and management tools are inadequate. Analysis such as marketing audit and PEST fail to fully incorporate the environmental implications of actions into the marketing process. In order to be successful and yield long-term benefits, green marketing must be integrated across all organisational areas; failure to do so will increase the likelihood that a firm’s efforts will not match consumer expectations and ultimately render the actions ineffective from both a business and an environmental standpoint (Polonsky & Rosenberger, 2001).

2.3.1 **Green Marketing Activities**

According to Fuller (1999, p. 127), implementing a green marketing strategy gives a company a new mission. This involves redirecting customer choices toward choices that are environmentally compatible, reorienting the marketing mix to include such choices, and reorganising the company’s delivery systems and enable them to meet environmental challenges.

Polonsky and Rosenberger (2001) say that green marketing activities, which take place in the functional marketing areas, can be divided into three levels, tactical, quasi-strategic and strategic green marketing. *Tactical greening* involves implementing limited change and limited coordination across multiple functions. *Quasi-strategic* activities usually involve more substantive changes in marketing actions as well as broad based coordination among several non-marketing actions. A holistic approach is required for *strategic greening* in order to integrate all environmental issues of a firm in coordination with all actions, across every functional area.

Table 2:1 shows a number of examples of how these approaches to green marketing can be carried out across the areas of the 4 P’s and other functional areas (Polonsky and Rosenberger, 2001).
Table 2:1 Green Marketing Activities at the Three Levels

<table>
<thead>
<tr>
<th>Targeting</th>
<th>Tactical Greening</th>
<th>Quasi-strategic Greening</th>
<th>Strategic Greening</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ads mentioning green features are run in green focused media.</td>
<td>A firm develops a green brand in addition to its other brands.</td>
<td>A firm launches a new strategic business unit aimed at the green market.</td>
</tr>
<tr>
<td>Green Design/NPD</td>
<td>Switching from one raw material supplier to another with more eco-friendly processes.</td>
<td>Life-cycle analysis is incorporated into the NPD process to minimize eco-harm.</td>
<td>Fuji Xerox develops its Green Wrap paper to be more eco-friendly from the ground up.</td>
</tr>
<tr>
<td></td>
<td>A mining company runs a PR campaign to highlight its green aspects and practices.</td>
<td>BP Amoco redesigns its logo to a sun-based emblem to reflect its view of a hydro/solar-based future for the energy business.</td>
<td>The Body Shop pursues environmental and social change improvements and encourages its customers to do so as well.</td>
</tr>
<tr>
<td>Green Pricing</td>
<td>Cost savings due to existing energy-efficiency features are highlighted for a product.</td>
<td>A water company shifts its pricing policy from flat monthly rate to a per-unit-of-water-used basis.</td>
<td>A company rents its products rather than selling them, consumers pay only for use of the product.</td>
</tr>
<tr>
<td>Green Promotion</td>
<td>An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.</td>
<td>A company sets a policy that realistic product eco-benefits should always be mentioned in promotional activities.</td>
<td>As part of its philosophies The Body Shop co-promotes one or more social/eco campaigns each year with in-shop and promotional materials.</td>
</tr>
</tbody>
</table>


The strategic activities a company can engage in are, according to Polonsky and Roesnberger (2001), targeting, pricing, design, positioning and promotion. Although many consumers claim to be green, their willingness to actually purchase green products has not been established, and therefore, a company should carefully consider how their products are targeted. Much of the environmental harm that a product causes is unfortunately already designed into it and already exists in the associated production process. For that reason environmental attributes need to be incorporated into products and processes at the initial stages of design and new product development (NPD). When giving a product a green position companies should ensure that all corporate activities support the projected image so as not to mislead or disappoint consumers or the media. Consumers are only willing to pay a small premium or none at all for green products, while expecting them to maintain the same standard as other goods, making pricing a significant concern. Green promotion is not likely to be an effective strategic measure unless it is supported.
by other corporate actions. Any environmental information that is communicated to the consumers need to have meaningful links to corporate activities.

2.4 **RQ4: How do companies obtain a competitive advantage through their green marketing?**

The 1990’s was the starting point of the dispute between business and the environment, in whether it actually pays to be green (Walley & Whitehead 1994). Orsato (2006), created a framework to help managers turn their environmental investments into sources of competitive advantage. Orsato (ibid) was able to do this by creating a compilation of existing works (Ryan, 2004; Nash & Ehrenfeld, 1999; Reinhardt, 1999).

2.4.1 **Generic Competitive Environmental Strategies**

Orsato (2006) constructed a framework for determining which environmental strategy a corporation should choose to implement. This resulted in four types of generic competitive environmental strategies. The strategies are determined by the type of competitive advantage and competitive focus that a company has. Competitive advantage can be differentiation or lower costs, whereas competitive focus can either be on organisational processes or products and services.

The suitable competitive focus and possible source of competitive advantage will be determined by four factors (Orsato, 2006, pp. 130-131):

1. The structure of the industry in which a firm operates.
2. The company’s position within that industry.
3. The types of markets the company serves
4. The firm’s capabilities.

Orsato’s framework can be used to define a strategy for a single product or a range of products. Since the divisions between the generic strategies are not rigid, it is fairly straightforward to find the hidden competitive focus of environmental strategies. Figure 2:4 provides an illustration of the framework; each strategy is explained in detail below.
**Strategy 1: Eco-Efficiency**
This first strategy is based on Ryan’s (2004) theory referred by Orsato (2006). Firms that collectively need to reduce the cost and the environmental impact of organisational processes should select Strategy 1 - Eco-Efficiency. This is because cost reduction is crucial. The majority of companies that work on eco-efficiency strategies do so without a great deal of display, and will generally “develop capabilities to continuously increase the productivity of their organisational process while decreasing the environmental impact and the costs associated from them” (Orsato, 2006, p. 132). Thereby, this strategy can create some levels of savings in principally all companies. Orsato (ibid.) suggests that companies whom supply industrial markets, have somewhat high levels of processing costs, or generate waste/by-products, will have greater potential to generate a competitive advantage. Process-intensive firms working modestly towards eco-efficiency both internally and externally will be saving money while decreasing the environmental effect of their process.

**Strategy 2: Beyond Compliance Leadership**
This second strategy is based on theory by Nash and Ehrenfeld (1997), referred by Orsato (2006). Beyond Compliance Leadership differs from Eco-Efficiency largely due to most companies within the Strategy 2 want their customers and the general public to know what they are attempting, that is to say their attempt to be green. Beyond Compliance Leadership basically means that the company goes the extra mile, giving them a first-mover advantage, until the rest of the industry catches up and it then becomes the norm. Therefore, Beyond Compliance Leadership is about continuously developing in order to gain a first-mover advantage. A company may develop or improve their corporate image to create a positive influence within the
Frame of Reference

general public. This development is usually caused indirectly by organisational process that is beyond compliance, thus ultimately affecting the purchasing behaviour of consumers.

**Strategy 3: Eco-Branding**

This third strategy is based on research by Reinhardt (1999), referred to by Orsato (2006). “Today, ecology-orientated products and services represent a defined market niche explored by firms worldwide” (Orsato, 2006, p. 134). Eco-branding is creating a credible green brand, often separate from a company’s other products and brands. There are three basic rudiments for a company that wishes to use Eco-Branding to create a competitive advantage. The first rudiment is that the consumers must recognize a noticeable benefit for their purchase. It is vital in both industrial and consumer markets that the consumer is ready to pay for the ecological differentiation. The second rudiment is credible information for environmental product differentiation. Since the consumer relies on information about the product and whether it is, for example, environmentally friendly, the information must therefore be perceived to be reliable to the consumer. The third and last rudiment is barriers to imitation. For the environmental differentiation for the product to be successful, the environmental improvement should not be easily imitated.

**Strategy 4: Environmental Cost Leadership**

Acquiring a price premium may be the only option for some companies whom offer ecologically orientated products. This is because ‘being green’ can cost more. The differentiation strategy may be the only way that the companies can pay off their ecological investments. This can work when niche markets are available for the companies to acquire these price premiums. There are very few companies that can use this strategy. A reason for this is the radical innovations in product design that are needed. The revenue basis of the company also needs to use this innovation. When a company has completed this, it can lead to a source of competitive advantage and can also revolutionise industries. Furthermore, some companies may be able to change over from selling products to selling the function provided by them, and thereby they can decrease not only their economic costs, but also their environmental impact.
Methodology

The previous chapter discussed the theories and models used when conducting this study. This chapter will present the methodological approach and research technique used in this thesis along with choice motivations and a discussion on the method problems.

3.1 Literary Search

After the authors had selected a topic that they themselves found interesting, the literary search began. The literature used in this thesis was found through the Luleå University of Technology Library. The most prominently used databases were Emerald, EBSCO and Google Scholar. The search words that were initially used were: green marketing, strategy, competitive advantage, environmental marketing, and strategic marketing. The articles found also led to other, even more relevant, findings through their list of references. Other websites, including company websites of cases, were also utilized. Due to the lack of literature available at the Luleå University of Technology library on the subject a number of books were ordered, through the university, from other libraries.

3.2 Research Strategy and Approach

A case study is an appropriate strategy when focusing on one or a few research units with the purpose of achieving a deeper insight into events, relations and processes (Denscombe, 2000, p. 43). Furthermore, Yin states that when answering “how” or ”why” questions, when the researcher have little control over events, and when the focus is on a current phenomenon in a real-life context, case study is the preferred approach (referred by Ghauri & Grønhaug, 2005, p. 115). As the aim of this study is to gain a deeper understanding of how green marketing strategies can be developed and for what reasons companies may do so, the author’s considered conducting a case study an appropriate strategy. In light of the research questions, the need for control over behavioural events and the descriptive nature of the thesis the authors decided to conduct a comparative case study with multiple cases. This makes the research approach a qualitative one. Holme and Solvang (1997) states that within qualitative methods it is the researchers understanding and interpretation that stands in the centre.

3.3 Case Selection

The authors wanted to examine companies that represented a range of green marketing strategies and therefore, three firms were selected to take part in this study. The sample selection was done through judgement sampling, in order to ensure that the companies chosen did fit the profile and that an interviewee was available, willing and equipped to answer the questions. Only companies that are currently engaged in some form of green marketing were selected to participate as that was the element to be studied. The cases were located through the authors’ networks of contacts. Convenience sample was also utilized in the selection process, as both cost and access were an issue. To keep the cost of travelling down the selected cases were all business to business
companies located in northern Sweden. In Luleå, Snowpower AB\(^1\), a cooling technology company, agreed to take part in the study; in Piteå, Exait AB\(^2\), an IT consultancy firm, and Wibax AB\(^3\), a chemical manufacturer. Had appropriate cases not been found in the area, the search area would have been expanded. However, this was not necessary.

3.4 Data Collection

As the study is of a descriptive nature, the authors felt that primary data would be most suited. Due to the complicated nature of the concepts, the authors considered interviews to be the most suitable way of gathering the necessary data, but also because this method would be able to provide profound insight into the topic of strategic green marketing (Denscombe, 2000, p. 132). Furthermore, it was appropriate as a large number of sources were not needed.

The cases themselves were chosen as they were thought to be representative of different green marketing strategies. The most difficult case to identify was a type of company that was not significantly green outwardly, meaning a firm that did not advertise or otherwise publicised their green marketing efforts. The very fact that this was not made public made these companies quite difficult to find. The answers to the interview questions were expected to vary due to the fact that all the cases had very different strategies. For this reason it was decided that a semi-structured interview guide would be used (see Appendix A). For the purpose of interviewing, the guide was translated into Swedish (see Appendix B). A trial run interview was conducted with a company not participating in the study in order to make certain that the questions were easy to understand, the terminology was used correctly, and the appropriate questions were asked.

Having partly used convenience sampling when selecting the cases, the authors were able to conduct the interviews in person. This allowed follow up questions, which were not in the interview guide, to be asked when needed, depending on the respondent’s answers (Denscombe, 2000, p. 135). The interviews were conducted in a calm environment with ample time set aside to complete each interview. The authors also did their utmost not to influence the respondent in any way. Extensive notes were taken during the interviews by both authors and the full interview written down immediately after each interview. Each interview was also recorded. All questions were answered by the respondents. The authors were also given permission from each respondent to contact them post-interview in case of any further questions or clarifications. The respondents did not wish to review the interview transcripts, empirical data or analysis prior to the thesis being submitted. They did, however, wish to receive a copy of the thesis once it was completed.

\(^1\) http://www.snowpower.se/
\(^2\) http://www.exait.se/
\(^3\) http://www.wibax.com/
Methodology

As respondent selection was of the utmost importance it was done in conjunction with each company based on our description and purpose of the study.

- Snowpower AB: Kjell Skogsberg, Principal Owner
- Exait AB: Anders Hallberg, Manager Business Development
- Wibax AB: Erik Spinnel, Quality & Environment

3.5 Method of Analysis

The analysis in this study has been conducted using a general analytical strategy which relied on previous theories and studies. These theories and studies have provided the foundation for the collection, analysis and comparison of data in this study.

Analysis was partly done during the data collection phase of the study (Ghauri & Grønhaug, 2005, pp. 202-203). The answers given during the interviews were analysed to a degree and new questions arose, prompting further data collection. After the interviews were completed, data reduction was conducted to identify themes and patterns in the data in order to gain understanding and insight (ibid. pp. 206-207). Open coding, a process of breaking down, comparing, examining, conceptualizing and categorizing the data (ibid. p. 208), was then used to categorise the data by which research questions it was related to. Comparison was done throughout the analysing process to find differences, similarities and meaning (ibid. p. 209). Finally the data was interpreted. Pattern matching was used in order to predict patterns of outcomes by relating the data to the prior assumptions of the studies and theories discussed in Chapter 2 (Saunders, pp. 489-490).

3.6 Method Problems

As mentioned in section 3.4, the authors had some difficulties in identifying a company that could represent the less green end of the spectrum. The theory reviewed in Chapter 2 suggests that these companies are not particularly public with their green activities; hence they are more difficult to identify. However, one such company was located using the authors’ personal contacts.

One potential issue with the method used might be that the interview questions were not given to the respondents prior to the date of the interview. As such, the only information the respondents had was a general outline of the purpose of the study which was given to them during the conversation in which they agreed to take part in the study. The decision not to give out the questions before hand was carefully considered, and based on two reasons. First, the fact that the questions did not involve figures that the respondents were not likely to know by heart and secondly, because the authors did not want the answers to be rehearsed (with the possible intention of making the company sound more green than it really is) or contrived. However, if a question were to arise that a respondent did not know the answer to the interviewee would be given the option of replying after the interview was concluded. The interview guide was created
Methodology

in English but translated into Swedish for the purpose of conducting the interviews. Due to the fact that both authors are bilingual, this was not considered an issue.

A large portion of the literature that came up in the research was from the 1990’s. The authors consider this to be because the subject is relatively new and much is yet to be researched and written about. Looking at the history and development of green marketing it is evident that both companies and consumers have been fairly slow to catch on to and implement these types of changes. At first glance, the findings of this study could be viewed as dated, as it is partially based on research that may not be regarded as current. However, all of the theories and studies used in the Frame of Reference are from 2001-2007, bar one. As this literature constitutes the foundation of this study and its findings the authors’ do not consider this to be an issue.

According to Ghauri and Grønhaug (2005, pp. 216-218), the validity areas of qualitative research are descriptive, interpretive, theoretical and generalizable. Descriptive validity, meaning to what degree the descriptions actually hold true (ibid. p. 216), was achieved to an acceptable degree through the data collection. Having both taken extensive notes and recorded the interviews allowed the authors to give an accurate description of the strategies used. These reasons are also why the authors believe the interpretations made in the study to be valid, interpretive validity (ibid. p. 218). The theories, models and previous studies used were selected based on them being from a legitimate and credible source, as well as being highly applicable to this study. This suggests that the findings of this study hold true and the study being theoretically valid (ibid.). Due to the fact that the companies studied were of different size and active in different industry the authors deem that their findings can be generalised to give an indication of how green marketing strategies can be developed in a wide variety of companies (ibid.).
4 Empirical Data

This chapter contains only the empirical data collected from the interviews that were conducted. No data derived from other sources are presented here. Each case will be presented; first a brief background followed by the empirical data collected as it relates to each research question.

4.1 Case One: Snowpower AB

The following is a summary of the interview conducted with Kjell Skogsberg:

Snowpower was established in September 2006. The company harnesses winter cold as snow and/or ice for different cooling purposes during the warmer parts of the year. Snowcooling can be used for storage, comfort and process cooling, meaning refrigeration, indoor climate control and cooling during industrial processing. One requirement for snowcooling to work is that there is an abundance of snow/ice or that it is cold enough where snow can be made artificially. The snow and/or ice is stored in a pond, underground or some other way. The pond’s surface is insulated so that it will not melt completely during the warm summer months. Although some melting does occur.

The snowcooling technology reduces environmental harm by cutting electricity consumption by 90-95% and the price is relatively inelastic as opposed to electricity prices. Furthermore, natural snow and ice contains pollution such as heavy metals which, as the snow and ice melts, can be collected and disposed of in a safe manner. While snowcooling goes a long way in reducing the negative environmental effect, it is not completely harmless. For that reason, Snowpower follows ISO 14001 (see Appendix C), an international standard for environmental management systems for firms wishing to operate in an environmentally sustainable manner, however, they are not certified.

Snowpower is currently the only supplier of this technology in Sweden; similar companies exist in Japan and could previously be found in Canada and the US. There is only one snowcooling facility in Sweden so far, located at Sundsvall Hospital.

4.1.1 RQ1: How do companies segment their market based on business consumers’ green tendencies?

Snowpower does not focus on targeting a specific consumer for the product. Instead the company looks for markets where certain market criteria and conditions are fulfilled. Attractive markets are characterised by high electricity prices as this gives them a better chance of under cutting the competitors’ prices. In addition, markets where local energy supply is scarce are also considered attractive. This is because snowcooling does not require vast amounts of energy in order to function. As previously mentioned, specific climate criteria must also be fulfilled. Furthermore, Snowpower targets markets which demand a high level of cooling. Although consumer tendencies are not their primary focus, the company has identified a number of factors that distinguishes the targeted businesses. These business consumers tend to have their energy consumption and cost in check making it much easier for them to evaluate if snowcooling would
be a viable option for them. They also value the environment and are likely to consider buying greener alternatives. Furthermore, these types of businesses require a system with a high level reliability. The company’s experience, so far, has been that most companies are not willing to pay a premium for this green alternative.

4.1.2 RQ2: How do companies choose their green marketing strategy?
Environmental issues permeate Snowpower’s whole strategy and the company strives to be green in all aspects of its business activities. It is the company’s goal for the public to perceive them as green. As it is a small company in the start-up phase, the company’s resources partly limits what they can do. Despite this, the company is sticking to its green strategy and continue to work on improving the entire snowcooling process. The material used to insulate the pond in Sundsvall is asphalt which contains harmful substances. Therefore, Snowpower is looking into better alternatives, several of which are made from recyclable materials. Careful consideration also goes into deciding where the snow should come from. Instead of transporting snow long distances it can be made on site at minor environmental cost. The company’s main concerns when it comes to strategy are functionality, environmental affect and cost.

It is Skogsberg’s opinion that most companies today have basic knowledge of environmental issues, but that the main reason for a majority of companies to choose green alternatives is to avoid bad publicity, not for the environmental benefits. Snowpower used to put effort into educating their potential customers on environmental issues and the benefits of the technology. However, Skogsberg says that this did not pay enough dividends and have therefore scaled back on this activity. Instead, he focuses on highlighting other product features.

4.1.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?
The technology of snowcooling could be implemented in many locations, however, due to the company’s environmental policy, cooling plants are not built in locations where snow would need to be transported long distances, significantly limiting the potential market size. Snowcooling is quite a unique product. Snowpower’s competitors are mainly electricity or heat driven cooling systems. How green the electricity driven systems are, depends on how the electricity is generated, but mostly they are not particularly kind to the environment. Heat driven systems can result in little environmental harm if the heat used is residual heat from industrial processes.

Skogsberg has found that companies have very little knowledge of what their energy consumption and current cooling system is actually costing them, making it difficult for them to assess how switching to Snowcooling would affect cost. He also says that it is difficult to sell companies on new technology. Snowpower estimates their average unit cost of process cooling to be about the same or slightly higher than the competitions and comfort cooling to be significantly lower. As a company, Snowpower strives to be green. The environmental benefit of their product is used in marketing and promotion but it is not the product feature that is
Empirical Data

emphasised the most, since very few customers are willing to pay for just that. Instead the emphasis is on the high reliability, which is more than 99%. The company does not work with or support any environmental organisations at the moment as they are still in the start-up phase.

4.1.4 RQ4: How do companies obtain a competitive advantage through their green marketing?

The company is focused on making the snowcooling process cheaper as well as further lessening its environmental impact. Snowpower’s product is difficult to imitate and at the moment they are the sole supplier on the Swedish market. Other features that can work to Snowpower’s advantage are high reliability and operational safety. However, there are also disadvantages. One disadvantage can be the high switching cost depending on the setup of the current system. Snowcooling is an investment that pays off in the long run, more than 10 years. The company is working on ways to drive down cost to make the technology more attractive; unfortunately the environmental aspect alone has, so far, not been enough to persuade potential customers to switch. If Snowpower were able to reduce their price they would be in a much better position to compete as the current cost estimate does not differ a great deal from the competitors.

4.2 Case Two: Exait AB

The following is a summary of the interview conducted with Anders Hallberg:

Exait AB is an IT consultancy firm working with infrastructure, systems development, systems integration, product sales, project management and business development. Being the administrator of the systems they build is a service they are increasingly providing. Three years ago the company also started helping companies cut their energy consumption as well as implementing other IT-related measures that reduce the environmental harm. The company has offices in Luleå, Piteå, Skellefteå and Stockholm and employs approximately 80 people. Exait works with firms in a range of industries such as construction, energy, public sector, banking, transport and manufacturing.

Exait can help companies reduce their energy consumption, thereby saving them approximately 50-70% off their current energy bill. The company also provides a service where firms can house their servers with Exait. This also means a reduction in cost for the customer, as housing them on their own premises requires cooling facilities, backup power and space. The company promotes the use of video conferencing technology in order to minimise non essential travel and in doing so companies can cut both cost and their CO₂ emissions. In order to reduce the company’s own environmental impact, Exait is set to conduct the next staff meeting of 80 people through video conferencing instead of having them all fly or drive to Piteå to attend it. The company also promotes car pooling and has a limit on the level of CO₂ emissions that the company cars discharge. Hallberg believes that the next time they upgrade their company cars; they will chose hybrids or other cars with less environmental impact. In 2008 the company won the IT Business Awards for their work on promoting green IT.
4.2.1 RQ1: How do companies segment their market based on business consumers’ green tendencies?
Exait works with companies of all sizes, however, the main focus is on large corporations, government and municipalities. The company’s largest client is Vattenfall Norden. The company has found that their customers are becoming increasingly more interested in green IT and some are now taking it even further and have started implementing changes. Hallberg believes that consumers are now beginning to see and understand the possibilities and benefits of greening their IT. In the past, Hallberg continues, they spent more time trying to educate the customers on green issues through seminars and client presentations than they do today.

4.2.2 RQ2: How do companies choose their green marketing strategy?
Environmental issues highly affect the company’s long term strategic planning. Exait is investing in greening the company and try to make smarter and more environmentally friendly decisions. As green IT is not unique but something all companies can do, Exait is attempting to lead by example. When recently upgrading its own servers, the company chose an option which reduced energy consumption, cost and environmental impact.

Exait’s aim is to be a green company and it is their mission to do better and to create change. The company is working to raise the awareness of green IT and to create demand for it by submitting articles on the subject to major news and industry papers as well as blogs and in the company’s own bi-annual magazine, available in printed format and on Exait’s website.

There are currently no industry standards, guidelines or legislation when it comes to green IT. Exait is not accredited but follows ISO 14001 general standards, although ISO does not specifically address IT. Neither does a Green Audit, an examination of the activities of an organisation in order to see how much it harms the environment and how much energy it uses, however Exait follows these guidelines.

4.2.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?
Exait’s clients are mainly located in the northern region of Sweden, however, they also work with Stockholm and Scandinavian based companies. This results in long transportation distances, however, this is unavoidable considering where both their suppliers and customers are located.

The individual products and services Exait provide are not unique when sold separately, however; the overall offering, including service and expertise, is what makes the company stand out. By utilising the existing technology in innovative ways, Exait can significantly reduce a company’s electricity consumption. The result is a large cost reduction and less harm is inflicted on the environment. Furthermore, companies buying the service can see the result almost immediately and the investment usually pays off in less than a year. The same consequences can be achieved by implementing video conferencing and housing ones servers with Exait.
Exait does use the environmental aspects of greening IT when attracting customers, but mostly in an indirect manner. The focus is predominantly on the monetary savings that can be achieved, as this is the main reason behind most purchases. The company’s marketing efforts highlight how addressing environmental aspects, energy consumptions and efficiency level can affect the bottom line. Exait markets itself as a green company, striving to be green and to be perceived as such. Exait’s motto is “we care”. They are a bronze sponsor of Naturskyddsföreningen, a non profit environmental organisation, this means that they donate at least 8,000 SEK per year. However, Exait is not only concerned with environmental causes but also give out its own “We care scholarship”, which in 2008 was given to aid children in need in Sri Lanka.

4.2.4 RQ4: How do companies obtain a competitive advantage through their green marketing?

As concept of greening IT is available to everyone and can easily be imitated the key is to apply it in a smart and efficient manner. Exait is trying to be at the forefront of green IT and to set new standards. The company has invested in greening the company resulting in both immediate and long term decreases in cost. Exait is constantly looking for new ways in which to improve, and the upcoming implementation of video conferencing will provide a long term reduction in travel expenses. Hallberg believes that the company has a favourable image in the public’s eye and they are working on maintaining and improving this further.

4.3 Case Three: Wibax AB

The following is a summary of the interview conducted with Erik Spinnel:

The Wibax Group was founded in 1986 in Piteå. The Wibax Group consists of three companies; Wibax Logistics AB, Wibax Tech AB, and Wibax AB which is the parent company. Wibax Logistics AB’s task is to provide the Groups logistics needs and to offer logistic solutions to external customers. Wibax Tech AB is concerned with developing new and improving existing products. All the companies’ headquarters are located in Piteå, but also have offices in Örnsköldsvik, Oxelösund and Uddevalla, and are on the verge of international expansion. The company currently has 85 employees.

Wibax’s main product activity is within liquid chemicals offering products for: water treatment; pulp and paper; industry; road; and energy and environment. However, the main productivity lies within pulp and paper. Spinnel says that a common perception of chemical manufacturing companies is that they are bad for the environment however; this is simply not the case. The majority of the chemicals that the company supplies are naturally occurring bases and acids. When diluted, these chemicals are not enough to cause any significant harm to the environment. However, they are harmful if one was to come into direct contact with a chemical.

Much of the negative effect inflicted upon the environment by Wibax is due to transportation. The location of the production facility in relation to the customers means products have to be
transported great distances. This is unavoidable, however; the company is constantly working to come up with ways to make distribution more efficient and green.

4.3.1 **RQ1: How do companies segment their market based on business consumers’ green tendencies?**

Wibax works with many companies, but due to the nature of the business, it is the large industries that are focused on. The largest customers are Smurfit Kappa, SSAB and different municipalities. The company has found that green is becoming more and more important to the customers. Spinnel says that many potential clients now send them a questionnaire to get an outlook on the company’s environmental activity. He has also noted that having an ISO certification is now a requirement, and not just an added bonus as it has been in the past. The clients are informed about green causes and Wibax does educate them about the products. However, since the products are not especially harmful to the environment, the education is more about safe product handling.

4.3.2 **RQ2: How do companies choose their green marketing strategy?**

Environmental concerns do not affect Wibax’s strategic planning to a great extent, as the effects of their products on the environment are so slight. However, the company continuously invest in making the business more environmentally friendly. Although these investments are primarily done in order to minimize costs and do so by reducing energy use, it is also a measure to prevent scandal.

Wibax have implemented EcoDriving (see Appendix C) which involves techniques for driving more economically, resulting in a reduction in fuel consumption which lessens the negative effect on the environment. A small device is also installed in all vehicles which measures the effectiveness of the driving. Since implementing the technique, Wibax has made huge savings. The company also strives to reduce spillage. This is mainly done for economical reasons and not the green ones, although it also leads to the company becoming more green.

The chemical industry is highly regulated. Wibax is not only working to comply with these regulations but to always be a step ahead. The company has ISO 9002 since 1996 and ISO 14001 since 1998. ISO standards are updated on a regular basis and in order to retain the certifications, companies must constantly improve. Being ISO certified used to provide an advantage over the competitors, however, now it is practically a requirement for any company in the industry. The ISO certification does, nevertheless, improve the corporate image from the public’s and consumer’s perspective.
4.3.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?

Wibax has three offices spread around Sweden, and products are sold throughout Sweden. The company is also working to expand into Europe, and have small customers in Switzerland and Germany. Due to the distances involved, a well functioning and efficient network of distribution is needed. Wibax Logistics works to ensure that vehicles never travel without full freight by selling the left over space. Not only does this provide an additional revenue stream for the company but it also inflicts less environmental harm. The company has terminals strategically placed throughout Sweden to facilitate transportation by boat. Logistical planning ensures that transportation is done by boat as much as possible in order to reduce the distances travelled by road, as this causes substantially less environmental damage, as well as being cheaper.

Spinnel did not know how Wibax’s products were priced in comparison to the competitors; however, he did say that any green attributes their products may possess does not allow them to set a higher price. This is because their products are standardised, and are therefore easily imitated. The aspect of the company’s products that makes them stand out is not the product on its own. It is the whole package, including service and delivery. However, the green aspects of production are used to attract more customers. Wibax promote itself as an environmentally friendly company and definitely want to be perceived as a green company. However, the company does not support any environmental organisations.

The chemicals Wibax produces are relatively safe for the environment, however; new product development focuses heavily on the environmental aspects of their products. This helps to reinforce the company’s sales arguments.

Wibax is a member of REPA (see Appendix C), a national organization which helps companies to fulfil their responsibilities as producers, according to Swedish law, by recycling their packaging.

4.3.4 RQ4: How do companies obtain a competitive advantage through their green marketing?

There are many companies which sell the same products as Wibax. The work that Wibax Logistics does can be seen as a competitive advantage for the company. No empty loads, more efficient driving, reduced energy consumption and shipping by boat all help reduce the company’s cost. It also significantly decreases the overall negative effect the company has on the environment. Furthermore, it is a competitive advantage for the company to market themselves as a green company to a small extent. This is because potential customers are informed about the environmental issues, and practically require their suppliers to be green.
5 Data Analysis

In this chapter a comparative analysis will be conducted between the theories in the frame of reference and the empirical data presented in the previous chapter.

5.1 RQ1: How do companies segment their market based on business consumers’ green tendencies?

Since Snowpower does not currently have any customers it is difficult to analyse their environmental attitudes. However, the main driving force behind the Sundsvall Hospital Project was an aggressive commitment to a better environment. With the current pricing structure of snowcooling being comparable to conventional alternatives, the potentially high switching cost and long payback period, Snowpower’s customer are most likely to be true blue greens and greenback greens. The company primarily segments their market based on the preferred climate conditions.

Exait’s services are offered to many types of customers. The smaller companies that the company works with would most likely be classified as grousers. As small businesses, these companies probably do not consider their contribution enough to make a difference. Also, their energy consumptions are quite small to begin with, and they may not feel the need to pay for Exait’s green IT services. Bigger companies may buy Exait’s green services simply for the financial gain it would result in. Although some of these companies might still highlight the environmental effect in their own marketing activities. Customers such as these could be labelled sprouts. Exait also has customer’s that are buying the service to reduce their own negative effect on the environment; these companies would be the equivalent of greenback greens. Based on the empirical data, none of Exait’s customers are true blue greens. However, the company could potentially have some in the future, as the awareness and reach of the company grows.

Based on the empirical data gathered from Wibax, the company’s customers are not very interested in green product features for the sake of the environment, but more because they are required by law, industry standards or their own customer’s demand it. Furthermore, the customers are not willing to pay a premium for green features, but are likely to have an understanding of the environmental issues involved. Also, Wibax customers’ are all quite similar. Considering these attributes, Wibax’s customers could be classified as the B2B equivalent of Roper’s sprouts.

5.2 RQ2: How do companies choose their green marketing strategy?

Two different theories were used in order to answer this research question.

5.2.1 The Green Marketing Grid

When examining the criteria of Grant’s first model (2007), one can see that Wibax’s marketing activities fits into category A. The fact that the company has had the ISO 14001 certification for over ten years shows its continuous commitment to the environment. Wibax Logistics ensures that its distribution chain is highly efficient when it comes to cargo, means of transportation and
how effectively each transportation vehicle is used. The company’s green efforts are also prevalent in its development of new products. However, the company’s main motivation for all this is the commercial benefits it has provided in terms of savings. Another motivating factor is that the industry demands a high level of environmental commitment from suppliers. Wibax does not aggressively market itself as a green company but its green efforts are publicised on the website. The information presented is very factual and refers mainly to the continued compliance with ISO standards. The environmental policy does not appear to be overstated.

In comparison to Wibax, Snowpower is not just focused on the commercial outcome of its marketing activities but even more on the green outcome. The core of Snowpower and its values is to be green and collectively help prevent environmental harm. Meaning, the company is also pursuing a cultural outcome. This makes Snowpower a category C company. The product itself is an innovative technology that provides a much greener alternative to existing products, mainly by decreasing the dependency on electricity. Furthermore, it allows for the pollution contained in the snow to be taken care of. While, snowcooling is quite easy for the user to adopt it may involve a financial investment upfront and the pay off period is long. The technology is a step in the direction of radical new and sustainable thinking.

Exait as a whole would be classified as a type B company as it is a company focused on commercial outcome and an emphasis on being green. However, it’s marketing activities, specifically concerning green IT, could be characterised as type C, using innovation to create radically different offers in a way that makes them feel familiar and easy for the consumer to use. The concept of green IT is to use existing technology in a more efficient and cost effective way. Exait is trying to change the way people use IT and many of its features and make it the ‘new normal’. The company offers customers the option of renting server space instead of owning it. It is promoting video conferencing which has the potential to transform the way everyday business is done and to radically reduce business travel. The fact that it can help a company reduce their energy bill by 50-70% by decreasing energy consumption is a clear sign of how inefficient the current usage is. Exait is trying to create commercial, green and cultural outcomes through green IT.

The Green Marketing Grid Strategies used by each company has been summarised in Table 5:1.

**Table 5:1 Summary of the Green Marketing Grid Strategies used by cases.**

<table>
<thead>
<tr>
<th>CASE</th>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snowpower AB</td>
<td>Strategy C - Greenest</td>
</tr>
<tr>
<td>Exait AB</td>
<td>Strategy C - Greenest</td>
</tr>
<tr>
<td>Wibax AB</td>
<td>Strategy A - Green</td>
</tr>
</tbody>
</table>
Data Analysis

Depending on which category a company ends up; *green, greener, greenest*, the company has different strategic options. As a type A *green* company, Wibax can choose between the A1 strategic concepts of *framing* or *pointing* when it comes to communicating its policies to the public. The empirical data shows that Wibax is using a pointing strategy to highlight the efforts that it is making in certain areas, and the ISO 14001 certification is proof of this. The company also emphasise the work it is doing with EcoDriving. However, it does not claim to do everything right or to be a completely green company. The A2 strategies advocates partnering with something that is more environmentally reliable than yourself, such as an *eco-label* or a *cause-related* charity to gain credibility without making value claims of your own. Wibax uses neither of these strategies. Wibax’s products are mainly standardised and generally do not include any nonessential features. This falls under the A3 strategy *less*. The second alternative under this strategy is *more*, which is mainly suited for premium brands where adding value is the focus.

Exait’s green IT marketing activities make them *greenest*. The company is contributing to the *social production*, according to C1, in the green IT industry through blog contributions and the website. Snowpower is also a *greenest* type of company. As a relatively new venture it is not doing much of either *social production* or *property* so far. Exait is clearly using the C2 *tradition* strategy when it comes to video conferencing. The company is trying to make non-essential, face to face business meetings obsolete by making video conferencing the new tradition. The key to implementing this new pattern and making it the norm is to make it user friendly and reliable. Snowpower is trying to persuade people to adopt a new pattern of living by also using the *tradition* strategy; providing consumers with a new and greener alternative to current cooling processes. Snowpower could try to convince people to adopt new patterns by taking advantage of how trendy it is to be green at the moment. C3 advocates a choice between *treasuring* and *sharing* resources. Here, the two companies differ in their choices of strategies. Snowpower is suggesting that resources should be treasured and that by investing in the use of snowcooling, precious resources will be spared. Exait on the other hand is proposing that companies share or rent server space, instead of owning it, in order to reduce the overall consumption.

The *educate* strategy advocates teaching the consumer and empowering them to make choices that are better for the environment. While, the *evangelise* strategy suggests recruiting people to your progressive point of view by making a radical position seem normal. Snowpower has made attempts to educate consumers in the past but says the effort did not pay off. Should the company re-evaluate their targeting strategies and aim for a more receptive audience, such attempts could achieve a different outcome. The *switching* strategy says that changing behaviour must involve minimum cost, effort and sacrifice. This does not fit with Snowpower as the cost of *switching* can be quite high.
5.2.2 The Green Marketing Strategy Matrix

Ginsberg and Bloom’s (2004) strategy matrix identified four different green marketing strategies, *lean green*, *defensive green*, *shaded green* and *extreme green*. Figure 5:1 illustrate the strategies that each case uses, as determined by analysis.

Snowpower falls within the *extreme green* area of the strategy matrix. This is because the company is based on green values and sustainable philosophies. The concern for environmental issues are incorporated into both the business and product. Although Snowpower is not ISO certified, because of the substantial expense, it adhere to these standards. Because the technology is relatively new and the high switching cost that may be involved, Snowpower can be characterised as serving a niche market. The company is trying to convey the benefits of snowcooling compared to other alternatives, from a product life-cycle perspective.

Exait’s green IT is just one small part of its overall offering. As green IT, theoretically, is available to everyone it cannot be seen as a way to gain competitive advantage. Therefore, the company markets the green aspects of greening your IT as a secondary benefit; monetary savings is promoted as the primary benefit. Moreover, Exait has made significant financial and non-financial investments to implement long-term and environmentally sound practices. This makes Exait a *shaded green* company.

Wibax fits the description of a company that should use the *lean green* strategy. It has, and continues to, take steps in order to green its operations. However, the motivations for doing so are to reduce cost and possibly to create a low-cost competitive advantage. This is mainly due to the fact that no substantial amount of money stands to be made from green market segments, if there are any in Wibax’s industry. Furthermore, the company does not advertise or emphasise the green aspects of its products or business. As the theory suggests, the company is most likely afraid of being held to a higher standard should it publicise its green efforts. As being ISO
Data Analysis

certified is no longer a differentiating factor in the industry, there is little to be gained from emphasising it. Based on the empirical data gathered during the interview with Wibax personnel the company is also motivated to implement green measures as a precautionary measure. This is one distinguishing feature of the defensive green strategy. However, this is the only feature of that strategy which is consistent with Wibax marketing activities.

5.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?

Polonsky and Rosenberger (2001) say that green marketing, in order to be successful, must be incorporated across all organisational areas and strategic activities. They have divided green marketing activities into three groups, tactical, quasi-strategic and strategic greening. Wibax is an example of a company using tactical greening. The company has implemented some green changes in the organisation, mainly for the purpose of remaining competitive in the industry and for financial gain. Quasi-strategic greening involves making substantial changes in marketing as well as non-marketing activities. Exait uses this strategy. Exait has not only implemented greening in its product offerings, but also in its own organisation and the way that it does business; the company is attempting to lead by example. As a strategic greening company, Snowpower has a holistic approach when it comes to business and environmental issues. Both the company and the product are built on green principles and a desire to create change.

The activities where a company can use strategic green marketing are targeting, pricing, design and new product development, positioning and promotion. Looking at targeting, Wibax does not see the green aspects of its products as the main selling point when it comes to the target market. However, it is one of the company’s many sales arguments as environmental issues are a fact and a concern in their industry. Exait is not just highlighting the environmental benefits of green IT. The company is marketing it as an alternative way of using existing products, that is more energy efficient and thereby less costly. In addition, the outcome is also less harmful to the environment. The target market basically consists of all companies that are IT users; however the focus is on larger companies. Snowpower is an intensively green company targeting the general market based on its climate conditions, but not targeting specific segments within that market.

Wibax does take the environmental aspects of its existing products into consideration and takes measures such as reducing spillage. Green is also a concern when it comes to new product development. The company’s green activity in this area is mainly to keep up with industry standards and regulations; the aim is not to be positioned as a green company. Exait, on the other hand, strives to be more green both in the products and services that is offered, as well as in its own organisation. One example of this is that the company’s upcoming staff meeting of 80 employees will be conducted using video conferencing. Exait continues to look for new ways of greening IT and are also implementing the ideas of others. Snowcooling is a fairly new concept and Snowpower is still trying to improve on it. For instance, the company is looking for alternative materials for insulating and covering the pond, preferably using recyclable materials.
Snowpower is trying to position itself as a green company, with a mission not only to sell snowcooling, but also to encourage people to become greener in general.

Wibax’s EcoDriving project is saving the company a substantial amount of money because of the decreased energy usage. Whether these savings have been passed on to the consumers in the form of lower pricing is not known. Most of the products are basic chemicals and have no special features to highlight in order to justify pricing changes, as these do not amount to features that the consumers are willing to pay for. Exait’s pricing strategy could be seen as paying a premium as companies can choose not to incur this additional cost by only purchasing ‘normal’ IT. However, as buying the green IT service results in substantial energy savings and an almost immediate payback, it is more of an investment rather than a premium. Snowcooling is priced, like so many other green goods, with a high initial expense and a long payback period. However, it is cheaper than the alternatives over the products lifetime. The problem is to convince the consumer to make the investment.

Wibax does not highlight green efforts in promotional campaigns, most likely because of the scrutiny that this would provoke. However, the company says it is plausible that it would resort to it in order to avoid bad publicity or to differentiate itself from other companies that were being slandered in the press. Exait, on the other hand, are very vocal about their green activities. The company’s own magazine always feature several articles related to green issues and the company is working on getting as much coverage as possible in other media. The goal is to raise awareness, bring about change and to make IT a greener business. This message appears to be consistently mentioned in the company’s promotional activities. As a small company, still in the start-up phase, Snowpower has not done any large scale promotional campaigns so far. Although, to anyone looking for information on the company, it is immediately clear that it is a green and eco-friendly company.

5.4 RQ4: How do companies obtain a competitive advantage through their green marketing?

After analysing the criteria for each type of generic competitive environmental strategy in Orsato’s (2006) framework, the authors have found that Wibax’s competitive focus is on its organisational process. The company have done so by acquiring ISO 9002 and ISO 14001 certifications, which leads to the continuous improvement of the organisational processes. These improvements mean that Wibax is able to increase the productivity of the organisational process, as well as decreasing the environmental impact and the related costs. The implementation of EcoDriving is an example of these improvements. Consequently the company’s competitive advantage is lower costs. This is because the improvements that Wibax implement are done in order to lower costs, not to differentiate themselves as green. An example of this is that the company strives to reduce spillage. This is done because they do not want to waste the product, not because they want to be more green. However, the improvements do ultimately lead to a
Data Analysis

greener company. This means that the strategy most suited for Wibax is Strategy 1 – Eco-Efficiency.

It was more difficult to see which generic strategy that Exait should implement. This is because the company does not operate in a niche market, and have not acquired a price premium. Exait’s green strategy has not cost a great deal, and the company does not have any ecological investments to pay off. Exait’s competitive focus lies within products and services, as the main activity lies within the service industry. Exait provide companies with IT-solutions that can cut up to 70% of spending on, for example, electricity for cooling down the company’s servers. This means that the company has a lower cost competitive advantage. This competitive advantage is achieved by the efficient use of existing products. This decreases the environmental impact by reducing the amount of electricity used. This means Exait should implement Strategy 4 – Environmental Cost Leadership. However, since the company also has enforced video conferencing and have a limit of CO₂ levels emitted by company cars, this could be interpreted as the competitive focus being on the organisational process. This means that Exait could focus on Strategy 1 – Eco-Efficiency. Nevertheless, as the main green focus is on the company’s IT service, the authors consider Strategy 4 – Environmental Cost Leadership to be the most suitable for Exait.

Snowpower AB should concentrate on Strategy 2 – Beyond Compliance Leadership. This is because the company strive to be as green as possible and want both their customers and the general public to know this. This message comes across in all Snowpower’s marketing. Snowpower’s competitive focus is on the whole organisational process. To do this, the company really goes the extra mile to ensure that all aspects of the company are as green as possible. Such as looking for more environmentally friendly ways to insulate the snow pits. This has also given the company a first mover advantage, as there are no competitors that provide this kind of environmentally friendly solution. Although the product is a cheaper solution when compared to competitors, it has a very long payback period. Therefore, Snowpower’s competitive advantage is it green differentiation.

Figure 5:2 illustrates the competitive strategies used by each case as determined by the authors’ analysis.
Figure 5:2 The Competitive Environmental Strategies as used by each case.
6 Findings

The previous chapter presented a comparison of the theory and empirical data, this chapter will answer the research questions presented in Chapter 1 by presenting the findings of this thesis. The chapter also includes a number of recommendations and implications based on the results of the study as well as suggestions for future research.

6.1 RQ1: How do companies segment their market based on business consumers’ green tendencies?

The findings of this study are that modifying Roper’s Shades of Green gave an indication of business consumers environmental attitudes. The result implies that companies do not use green as factor when segmenting their market. In addition, how useful it is to track the environmental attitudes of business consumers is highly dependent on the type of company and what industry the company is active in. In this study, where the focus has been on the B2B market, one can clearly see that there is a substantial difference between the environmental and financial motives behind corporate purchases. Should a company estimate green to be a highly significant attribute to its customers, the company would need to assess what causes the consumers to buy green products and how important green product features are to them.

6.2 RQ2: How do companies choose their green marketing strategy?

Implementing a green marketing strategy is a task that should not be taken lightly and cannot be done overnight. However, it is possible for all companies to implement a green strategy. As with any other significant corporate activity, an assessment of the entire company is need, including goals, objectives and resources. A company should have a clear understanding of what it actually aims to achieve by engaging in green activities. The theoretical models presented in Chapter 2, do not provide a complete strategy but offer a sound framework and starting point for designing a strategy. The study show that often, the strategy most suited for a company is a mix of several different model strategies. Based on the models, each company will need to devise its own individual strategy to suit its specific objectives and resources. One key success factor of any green strategy is to be truthful in order to avoid that a product does not live up to the consumer’s expectations.

6.3 RQ3: How do companies’ choices of green marketing strategy influence their marketing mix?

All marketing strategies will affect a company’s marketing mix, and this is certainly the case when it comes to using a green marketing strategy. However, the type of product or service being sold is also a factor, as well as to whom the product is being sold to. A company needs to consider whether the green attributes of a good is a main selling point or simply an added benefit, as this will affect all aspects of the marketing mix. It is a finding of this study that green marketing activities should not be highlighted as a key attribute or prominently publicised, unless it will significantly increase sales and ultimately result in a profit. However, this does not mean that green changes should not be implemented in the marketing mix. How these changes are
Findings

implemented will differ for each company. The result indicates that most companies take environmental concerns into consideration when developing new products.

6.4 RQ4: How do companies obtain a competitive advantage through their green marketing?

From this study, one can see that different types of companies in different industries can all gain a competitive advantage from being green. This is either from differentiating themselves as green or by lower costs. However, if these competitive advantages arise from specifically green marketing, is debatable. This is because many companies gain their competitive advantages from implementing green measures in order to cut costs, and not from marketing themselves as green. On the other hand, many companies differentiate themselves by implementing green measures, and thereby gain a competitive advantage. Regardless of a company’s competitive focus there are significant benefits of ‘going green’, many of which can be a source of competitive advantage.

6.5 Recommendations and Implications

Based on the findings of this study we recommend that Snowpower segment its market based on consumer’s environmental attitudes. The company should specifically target extremely green companies who value environmentally sound products more than the cost, and also government organisations who aim to lead by example. Due to the potentially high switching, we also recommend that Snowpower specifically targets new construction projects, since this would avoid the issue of the switching cost. Although Snowpower fits best into category C, greenest, some of the category B strategies could prove to be very beneficial to the company. Snowcooling is a relatively new and unknown technology; there are most likely potential customers out there who have never heard of the technology. Therefore the company needs to make efforts to educate or evangelize (B1) the public and to create a buzz around it. The company could also use the new cool approach.

In our view it may not be particularly useful for Exait to consider their customers’ interest and commitment to environmental issues when segmenting their market, due to the fact that the company is targeting all business with a need for IT services. However, this information could be used at a later stage in the sales process in order to create a client profile and tailor their sales pitch. Exait could then highlight either the financial savings or the environmental benefits depending on the client.

We recommend that Wibax consider supporting a cause or non profit organisation. It does not have to be a green organisation. As previously mentioned, the public may have a negative perception of chemical producing companies such as this. Since Wibax’s sell their products to business customers the public’s opinion is not the highest priority. However, we still consider philanthropy to be a worthwhile activity for most companies.
The Roper’s Shades of Green theory used to segment consumer markets was only modified for the use of this study. It is evident that firms could benefit if similar segments we developed to reflect the business market. Therefore, the authors’ suggestion for future research is to produce a new ‘Shades of Green’ framework for segmenting business markets. This study has left us pondering how likely companies are to implement green measures when the only benefit is an environmental one. We feel this could be another interesting research topic in the future.

7 Conclusion

As stated in the problem discussion, a paradigm shift to sustainable production and consumption will need to take place in order to tackle the imposing environmental issues. This study shows that different types of companies have indeed started making these changes. However, the majority of companies have done so not for the good of the environment but rather for the financial incentives. Furthermore, being green is viewed by many as more expensive than other options. However, this study indicates that this is not always the case. In fact, going green in a business context can often result in a significant cost reduction. Communicating this point to corporations, as well as the general public, could fundamentally benefit all green causes.

To answer the first part of our purpose “how strategic green marketing can be developed” we have found that green marketing theories can provide a sound foundation but need to be customised to fit each specific company. This is because no companies are exactly the same. The second part of our purpose was to examine what incentives companies have to implement strategic green marketing. After conducting the study the answer was very clear. The main incentive for companies to use strategic green marketing is financial, and to gain a competitive advantage whenever possible.

What seems to win companies over is the financial gain, not the dream to be green. However, perhaps the reasons are not important. The fact that companies are going green shows that it is not just a current trend but that a paradigm shift is in the making.
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References


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Web Addresses


Interviews

Skogsberg, Kjell; Managing Director at Snowpower AB, 2009.05.11 at 10 am
Hallberg, Anders; Manager of Business Development at Exait AB, 2009.05.12 at 8.30 am
Spinnel, Erik; Quality & Environment at Wibax AB, 2009.05.12 at 2 pm
Appendix A: Interview Guide in English

PRODUCT

1. Can you briefly describe your core business?

2. How long have you been in this industry and at what point did the environment become an aspect?

3. Describe how your business and/or your products help reduce the environment harm?

4. Are the company and/or products certified or accredited in accordance with any environmental standards?

5. Are your competitor’s products “normal” products and how do they products differ from your green alternative?

6. Do you incorporate green thinking at the production stage and/or new product development?

7. How are your green products priced in comparison to equivalent products on the market?
   a) Are your products unique in a way that allows you to charge a premium?

CUSTOMER

8. Describe your target market and customers?

9. In your opinion, what are your customer’s views on green business and how important is green to them?

10. To what extend do you think your customers buy green products in general?

11. Do you think that the customer’s themselves are knowledgeable and involved in green causes?

12. Do you attempt to educate your customers about environmental issues in any way?
Appendix A: Interview Guide in English

PROMOTION

13. Are the green aspects of your product something that you use to attract customers (or do you focus on other attributes)?

14. Are the green aspects of your business and/or product used in promotion and if so how?

15. Do you market yourself as a green and environmentally friendly company?

16. Is it your goal to be perceived as a green company?

17. Do you work with or support any environmental organizations?

STRATEGY

18. How would you say environmental concerns effect your strategic planning?

19. Have you made investments in greening your business and/or products?

20. What factors drive you to implement green changes in your business?

21. Have any of the green initiatives you have implemented led to a reduction in cost?

22. What level of compliance would you say you have in regards to environmental regulations?
   (If answer on no.24 was: more than what is required)
   a) Has that given you an advantage of any kind?
   b) Do you think it has improved your corporate image in eye of the consumer and the public?

23. Are there other benefits to your green products as opposed to the competitions, other than the environmental ones?

24. Are your green products easy for other companies to imitate?

25. Are all your products sold under one brand, including the eco-friendly ones?
Appendix B: Interview Guide in Swedish

PRODUKTEN

1. Kan du kort beskriva er kärnverksamhet?

2. Hur länge har ni varit verksamma och när kom miljöaspekterna in i bilden?

3. Beskriv hur er verksamhet och/eller era produkter hjälper till att minska miljö hotet?

4. Är verksamheten och/eller produkterna certifierade eller ackrediterade enligt någon miljöstandard?

5. Är konkurrenternas produkter ”normala” produkter och hur skiljer de sig från era gröna alternativ?

6. Är grönt tänkande en del av nuvarande produktion och/eller ny produktutveckling?

7. Hur ligger era priser i jämförelse med likvärdiga produkter på marknaden?
   a) Är era produkter unika på ett sådant sätt att ni kan ta ut ett högre pris?

CUSTOMER

8. Beskriv era kundmålgrupper?

9. Vad tror du att era kunder tycker om gröna företag och hur viktigt är grönt för dem?

10. I vilken utsträckning tror du att era kunder generellt köper gröna produkter?

11. Tror du att kunderna själva är informerade och involverade i gröna ändamål?

12. Jobbar ni på något sätt men att utbilda era kunder när det gäller miljöproblem?

PROMOTION

13. Använder ni de gröna aspekterna av era produkter för att attrahera fler kunder (eller fokuserar ni mer på andra produktaspekter)?

14. Används de gröna aspekterna av er verksamhet och/eller produkter i er marknadsföring och i sådana fall hur?

15. Marknadsför ni er som ett grönt och miljövänligt företag?
16. Hör det till era mål att framstå som ett grönt företag?

17. Samarbetar eller stödjer ni någon/några miljöorganisationer?

**STRATEGY**

18. I vilken utsträckning skulle du säga att miljöproblem påverkar er strategiplanering?

19. Har ni investerat i att göra er verksamhet och/eller produkter mer gröna?

20. Vilka faktorer driver er till att implementera gröna förändringar i er verksamhet?

21. Har några av de gröna initiativ ni har implementerat lett till några kostnadsreduceringar?

22. Hur förhåller ni er till eventuell industristandard när det gäller miljökrav?
   (Om svaret på nr. 24 var mer än vad som krävs)
   a) Har det gett er någon typ av marknadsfördel?
   b) Tror du att det har förbättrat företagets image i konsumenterna och samhällets ögon?

23. Finns det andra fördelar med att köpa era gröna produkter, förutom att det är bättre för miljön?

24. Är det lätt för andra företag att imitera era produkter?

25. Säljs alla era produkter under ett märke, även de miljövänliga?

26. Hur kommunicerar ni er gröna ståndpunkt till konsumenterna och nuvarande kunder?
Appendix C: ISO 14001, EcoDriving and REPA

ISO 14001

ISO 14001:2004 specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects. It applies to those environmental aspects that the organization identifies as those which it can control and those which it can influence. It does not itself state specific environmental performance criteria.

ISO 14001:2004 is applicable to any organization that wishes to establish, implement, maintain and improve an environmental management system, to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with ISO 14001:2004 by

a) making a self-determination and self-declaration, or
b) seeking confirmation of its conformance by parties having an interest in the organization, such as customers, or
c) seeking confirmation of its self-declaration by a party external to the organization, or
d) seeking certification/registration of its environmental management system by an external organization.

All the requirements in ISO 14001:2004 are intended to be incorporated into any environmental management system. The extent of the application will depend on factors such as the environmental policy of the organization, the nature of its activities, products and services and the location where and the conditions in which it functions.

For further information see www.iso.org

EcoDriving

EcoDriving is an education that teaches one to drive more economically, as well as preserving the environment. There are three different education packages, EcoDriving (private car), Heavy EcoDriving (bus/lorry) and Working EcoDriving (work machinery). In the education, one learns about the way of driving, technique, traffic and the environment.

On the whole, EcoDriving is about the interactivity of: technique, environment and economy. EcoDriving targets companies who want to educate their personnel to drive more economic, but is also used within the education sector at colleges and traffic schools. The amount of savings depends on the type of driving the driver normally uses. The average savings is roughly 13%, based on 50 000 educated drivers.

EcoDriving is run by the Swedish traffic schools national association (STR) and their utility company STR Service AB. EcoDriving was composed by companies and the Finish authorities. It includes the latest discoveries about energy saving and factors that affect the economic way of
Appendix C: ISO 14001, EcoDriving and REPA

driving. STR and the energy authorities have adapted the original mode to fit the Sweden. They have been active since August 2002 and are located in Landskrona. One of their goals is that as many traffic schools as possible shall be environmentally conscious, and for them to promote a ‘greener’ traffic environment.

Since 1997, more than 33 000 people have been educated in EcoDriving and 17 000 in Heavy EcoDriving. Working EcoDriving is a new and exciting project where, up to now, one thousand people have been educated.

For further information see http://www.str.se/Miljo/Ecodriving/

REPA

According to the law "Ordinance of Producers' responsibilities for packaging" all companies that produce, import or sell packaged goods are subject to a number of obligations.

The company shall:

- ensure that a collection system exists, through which customers and other end consumers can return used packaging
- ensure that customers receive the information they need about the collection of used packaging
- ensure that collected packaging is recovered, recycled and put to good use as either new raw material or energy.

To make it easier for all companies affected by this law, Sweden's business and industrial sector has joined forces to create a common system for the collection and recycling of packaging. A service organization, REPA, has also been established.

REPA:s role is to provide all companies with access to the nationwide recycling system, which is designed to simply and efficiently meet producer obligations.

REPA's operation where transformed to FTI - Förpacknings- och Tidningsinsamlingen (Packaging and Newspaper Collection) in August 1, 2007. In practice, this does not involve any change for customers in REPA. REPA will be retained as a brand and is now a subsidiary of FTI. The recycling system is not profit-motivated. All companies affiliated with the system pay packaging fees in relation to the amount of packaging material their operations generate. Today 9 000 companies are affiliated with REPA. They account for most of all packaging in the Swedish market. Collection levels have increased and in most cases exceed Government objectives. Companies that are affiliated with REPA are entitled to use the "Green Dot" symbol on their packaging. This symbol is used in a large number of European countries as proof that a company meets its obligations as a producer.

For further information see http://www.repa.se/