

# **PROMOTING AND MARKETING GREEN PRODUCTS AND SERVICES: Energy, materials, water and wastewater:**

**Marketing Mix, Market and Promotion  
Strategies Methods  
Report /Manual Nº 4**



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# **PROMOTING AND MARKETING GREEN PRODUCTS AND SERVICES: ENERGY, MATERIALS, WATER AND WASTEWATER: Marketing mix, market and promotion strategies methods Option to promote energy, green materials, water and waste water**

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## **Background and Overview**

This document is produced in the framework of the Switch Asia Project financed by EU and implemented in Nepal by UN-Habitat jointly with IHS as the EU partner aiming to apply marketing principles to green products and services and raising environmental awareness among the actors of the industrial sector, without negative impacts onto the entrepreneurial goals. The manual will be used by organizations working in the provision of green products and services to strengthen their marketing skills and to enable sustainable marketing.

Through the modules in this manual it is planned to improve business productivity through better marketing. Effective marketing is the difference between failure and success.

## **MARKETING TRAINING GOALS**

- Understand the six components of marketing: Product, Price, Place, Promotion, People and Process
- Evaluate how well the product or service meets the needs of customers
- Determine the best price for the product or service
- Select the best way to distribute the product
- Create new ways to promote the business
- Identify ways to expand the business
- Solve the specific marketing problems that arise
- Develop a marketing plan for a defined period of time
- Get knowledgeable, well trained and motivated people.
- Ensure the customer has a positive and memorable experience when purchasing and/or using your product or service.

## **INTRODUCTION TO THE MANUAL**

The manual is organized in six modules. The first module covers an overview about the green market and green products concepts.

The second, third and fourth modules cover the general marketing and strategies concepts that can be applied to any company producing any kind of product or service.

The fifty modules deal with the green market concepts applied to SMEs and the last module focus in improving an existing selling strategy and some successful promotion examples of solar panels, energy efficiency and biogas

Each module has a section with concepts and definitions, elements, examples, facilitator's notes and possible discussion questions.

- Part of the information of the modules two and three were adapted from Cuellar S. and Gomez M., (2013), *Marketing Module 1 and from the Green market manual*, EU ecomarketproject as indicated in the footnote.

## Module I. - Green market and product: Energy, materials, water and waste

Stakeholder pressure from investors, shareholders, customers and non-profit organisations are pushing companies to include sustainability and green issues into their business. They do so not only because of the inherent social and environmental risks and the governance challenges the them , but also because of the many rewards supply sustainability can deliver such as resources conservation, optimization of processes, uncovering product innovations, saving costs, increasing productivity and promoting corporate values.

There are many definitions of green markets and the concept has evolved since the eighties after the appearance of the Brundtland report also called: Our Common Future: The American Marketing Association (AMA) defines green markets as the marketing of products that are presumed to be environmentally safe. AMA according to Morel and Kwakye 2012, divides this definition into three aspects: (retailing definition) as the marketing of products that are presumed to be environmentally safe; (social marketing definition) as the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality and (environments definition) as the efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns). Chitra (2007) defines green markets as green marketing-mix elements and eco-friendly products that are designed and developed as being less harmful for the environment.

In a general way green market can be defined as the marketing of products and companies that promote the environment in some substantial way. Some definitions look for environmentally “safe” or “sustainable” production, while others seek to reduce a company’s “carbon footprint.”

Green marketing involves more than simply presenting an environmentally friendly product. It also speaks to, and actively promotes, a company’s processes and business practices as having low environmental impacts.

Some business practices, such as reducing production waste or energy costs, are good for both the environment and business profitability. Adopting such practices may or may not be perceived as “green,” depending upon consumer perceptions of other aspects of the business.

Many important definitions and elements of the general market theory are also applied to green market. Here below it is presented a summary of these elements and definitions:

### Consumption and Green Purchase

Consumption in general and also green consumption is influenced by many aspects such as product, price promotions and place called Marketing –mix, quality, satisfaction, behavior, life style and attitudes.

### **Marketing-Mix Concept**

The concept refers to a set of actions, or tactics, that a company uses to promote its brand or product in the market. It is composed of four elements (the 4P): product, price, promotion and place.

Applying marketing-mix is very important for a company’s success. Its application requires a lot of understanding, market research and consultation with several people, from users to trade to

manufacturing and several others. This concept will be discussed more in detail in module three of this manual.

### ***Attitudes***

With regard to consumer's attitude and green behaviour for example, Davidson et al. (1985) found that the consumers' attitude is associated with the knowledge and personal experience they possess but applied to green consumerism this result could not be confirmed.

### ***Satisfaction***

Satisfaction plays important role in the attitude of the consumers towards a product. In a marketing view according to Morel and Kwakye (2012) satisfaction can be linked to brand loyalty which is; "a pattern of repeat product purchases accompanied by an underlying positive attitude towards the brand". Satisfaction is also linked to the product quality and quality leads to performance and finally to customer satisfaction.

The satisfaction of the consumers with regard to the consumption of green products is very important for the companies once it shows that the company's corporate responsibility and the green commitment are being achieved. A survey composed of around 200 respondents in Taiwan has showed that green product quality was positively linked to customer satisfaction and green customer loyalty (Chang and Fong, 2010).

### ■ **Defining Green Housing Materials, Products and Services**

The construction, renovation, maintenance and operation of buildings accounts for very large quantities of materials which are extracted from nature, processed, used and ultimately discarded. The opportunities to reduce the environmental and health impacts of the housing sector involve important big decisions such as location, to small decisions such as paint and light bulbs. The products we use to clean, light, furnish, renovate, and build our homes must also be a part of the greening process. Reducing their environmental impacts requires thinking and learning about not just how we use products, but where they came from and where they are going. Important factors to be considered in this process are: energy used to make, transport, and use a product; the product's contents and the sources of its raw materials; emissions during manufacturing the product, and the level and type of toxins in the final product; and the product's durability (lifespan) and recyclability.

Defining what a green product, material or service is, has proved to be difficult and very challenging. As a result, until this moment there no word wide official accepted definitions of green products or service.

According to Prasad Modak (2014), the Greenness of products is defined through various attributes. These could be environmentally focused in terms of materials used, energy consumed or pollution generated. These attributes are reflected in different stage of the life cycle - before usage, during usage or after usage. He also defines green products, materials or services as those having reduced environmental impact, over its life cycle.

For the USA Environmental Protection Agency (EPA) a product may be considered "greener" if scientific evidence demonstrates that human health or environmental impacts have been significantly reduced in comparison with other products that serve the same purpose. EPA also added that in defining a green product it is important to look at the product's life cycle; from product raw material extraction

to manufacture until use and disposal, and its potential for adverse impacts, such as toxic exposures, air pollution, water pollutions, climate change, stratospheric ozone depletion, natural resources (e.g., energy, water, materials), waste disposal and ecosystem damages.

In the housing sector the expansion of the concepts of green buildings and green homes has accelerated the search for tools capable to determine how green a product, material or service is. Several tools and or guides exist which try to measure how green a building material, product or service is. Many approaches are used to measure how green a product is. One of these approaches found in many of these tools and guides is to check if the examined product, material or service contains the green characteristics (attributes) used by the tool or guide. Voluntary instruments such as green labels and green procurements also use this approach.

In the USA, these tools were developed and are being used by the [National Institute of Standards and Technology Building for Economic and Environmental Sustainability \(BEES\) which](#) measures the environmental performance of building products by using the environmental life-cycle assessment approach specified in ISO 14000 standards; [AIA's Environmental Resource Guide which](#) presents detailed life-cycle information about a number of building products and [LEED Material Credits which determined](#) material credit requirements in the LEED Green Building Rating System.

In Europe there exist many tools and guides that help consumers to identify a green product. One of the most famous is the one applied in UK called the Building Green's Online Product Guide (GreenSpec). This guide lists over 2,200 environmentally preferable products, with key insights on the green attributes of each product and the most critical green issues for each product category. The directory is divided into 5 areas with each area containing a set of standards and their respective definition. A summary of the directory main content is showed below:

1. Products Made with Salvaged, Recycled, or Agricultural Waste Content
  - 1a. Salvaged products
  - 1b. Products with post-consumer recycled content
  - 1c. Products with pre-consumer recycled content
  - 1d. Products made with agricultural waste material
2. Products That Conserve Natural Resources
  - 2a. Products that reduce material use
  - 2b. Products with exceptional durability or low maintenance requirements
  - 2c. Certified wood products
  - 2d. rapidly renewable products
3. Products That Avoid Toxic or Other Emissions
  - 3a. Natural or minimally processed products
  - 3b. Alternatives to ozone-depleting substances
  - 3c. Alternatives to hazardous products
  - 3d. Products that reduce or eliminate pesticide treatments
  - 3e. Products that reduce storm water pollution
  - 3f. Products that reduce impacts from construction or demolition activities
  - 3g. Products that reduce pollution or waste from operations
4. Products That Save Energy or Water
  - 4a. Building components that reduce heating and cooling loads

- 4b. Equipment that conserves energy and manages loads
- 4c. Renewable energy and fuel cell equipment
- 4d. Fixtures and equipment that conserve water
- 5. Products That Contribute to a Safe, Healthy Built Environment
  - 5a. Products that do not release significant pollutants into the building
  - 5b. Products that block the introduction, development, or spread of indoor contaminants
  - 5c. Products that remove indoor pollutants
  - 5d. Products that warn occupants of health hazards in the building
  - 5e. Products that improve light quality
  - 5f. Products that help noise control
  - 5g. Products that enhance community well-being

■ **Choosing Green Materials and Products for Buildings**

The opportunities to reduce the environmental and health impacts of our homes span from big decisions, like location, to seemingly small decisions, like paint and light bulbs. The products we use to clean, light, furnish, renovate, and build our homes must be a part of the greening process. Reducing our environmental impacts requires thinking and learning about not just how we use products, but where they came from and where they're going. Consider factors like:

- Energy used to make, ship, and use a product;
- The product's contents and the sources of its raw materials;
- Emissions during manufacturing the product and the level and type of toxins in the final product; and
- The product's durability (lifespan) and recyclability.

These are just some of the impacts a product has on the environment from "cradle to grave" during its "lifecycle." The five main stages in the lifecycle of a material or product are: raw material acquisition, manufacturing, distribution, use, and end-of-life management. Attributes of a product at different stages of its lifecycle to consider may include:

Waste and materials:

- Reduced waste
- Biobased content
- Recyclable or reusable components
- Recycled-content

Energy:

- Energy efficient
- Low embodied energy
- Uses renewable energy

Water:

- Water efficient
- Water reuse and recycling

- Responsible stormwater management

Other environmental & health impacts:

- Enhanced indoor environmental quality
- Reduced environmental impact over the lifecycle
- Reduced or eliminated toxic substances
- Sustainable development, smart growth

## **Environmentally Preferable Building Materials, Water Efficiency and Renewable Energy**

### ***Reclaimed Building Materials***

Building construction uses large quantities of natural resources; in fact, construction activities use 60 percent of the raw materials, other than food and fuel, used in the entire U.S. economy. And the nearly 170 million tons of annual building construction, renovation, and demolition derived wastes (commonly referred to as C&D materials) account for nearly 60% of the nation's non-industrial, non-hazardous solid waste generation.

Salvaging building materials and reusing them saves energy and reduces greenhouse gas emissions by minimizing the need to extract and process raw materials and ship new material long distances; it also reduces the economic and environmental impact from waste disposal (for example, greenhouse gases generated from waste decomposition, the need to build new landfills or the emission of air pollutants from waste incineration). Also, some salvaged building materials are rare and sought-after, such as marble mantles, antique fixtures, old growth hardwoods, wide-plank lumber and knot-free, fine-grain wood.

You can reduce the environmental footprint of your home by incorporating salvaged materials into the construction or renovation of your home. Nationally, hundreds of building material reuse stores sell high-quality salvaged building materials for construction and renovation projects, including lumber, flooring, cabinetry, bricks, doors, windows, fixtures, and iron work. Materials are salvaged mostly from remodelling projects, pre-demolition salvage, and the growing practice of deconstruction-the selective disassembly of buildings to reuse and recycle parts. Most stores are open to the public.

For more information on using reclaimed building materials, see EPA's resource guide on lifecycle construction:

<http://www.lifecyclebuilding.org/files/Lifecycle%20Construction%20Resource%20Guide.pdf>

### ***Recycled-Content Building Materials***

Buying recycled-content materials helps ensure that the materials collected in recycling programs will be used again in the manufacture of new products. Examples of construction materials that can be readily found with recycled content include:

- Drywall (many utilize recycled paper and post-industrial gypsum)
- Insulation (including cellulose, mineral wool, fiberglass, and recycled cotton insulation)

- Plastic lumber
- Kitchen countertops
- Glass tiles
- Landscaping materials
- Carpet and carpet padding
- Steel

Recycled content products are often labelled with percentages of postconsumer and recovered material. If a product is labelled "recycled" because it contains used, rebuilt, reconditioned, or remanufactured parts, the label must say so - unless it's obvious to the consumer (e.g. when purchasing used building materials at a used construction materials resale store).

For information on recycled-content construction products, visit EPA's [Comprehensive Procurement Guidelines](#) (CPG) Web site. The CPG program is part of EPA's continuing effort to promote the use of materials recovered from solid waste. EPA provides a list of designated products and the accompanying recycled-content recommendations. EPA has already designated or is proposing to designate a number of building construction products, such as carpet, floor tiles, insulation, patio blocks and other landscaping materials, and roofing materials. Note: When reviewing these product lists, bear in mind that some of the products are designed for use in commercial or industrial buildings, rather than for homes.

#### ■ **Efficient use of water**

To make the most eco-friendly use of water, sustainable building structures use gray water systems for irrigation, low flush toilets and low flow shower heads.

Other important aspect of the promotion of water efficiency in buildings is the appliances we use our homes.

Water efficiency in the home means using less water to provide the same level of service or to get the same result.

Water efficiency can be achieved by using improved technology, for example water-efficient appliances like washing machines and dishwashers. Water-efficient models will get your clothes and dishes just as clean—they'll just use less water doing it. Fixtures which allow us to use less water to get a job done effectively are also known as being water efficient, for example water-efficient showerheads, taps and toilets.

If you use less water that's been heated, you'll be saving energy as well as water. In your home, the appliances and fixtures that use most water will usually are the washing machine, dishwasher, shower and toilet.

Water-efficient appliances and fixtures can save you a lot of water and money in the long term.

Your shower can be one of the biggest users of water in your home. If you're using an older style showerhead, you could be using more water than you need to.

Installing an efficient showerhead can save you up to 18 litres of water a minute:

- Water-efficient showerheads restrict the amount of water coming through and provide you with a satisfying shower.
- In many countries there are water efficiency labels scheme that helps the consumers to compare the efficiency and flow rate of different showerheads as for example the Water Efficiency Labelling and Standards (WELS) scheme. These standards also included the apparatus used for toilets.

Toilets use a lot of water and the water we flush away is usually valuable tap water. Switching to a more water-efficient toilet will make a big difference to your personal water use and will help protect our future water supplies.

Water-efficient toilets do the same job as inefficient toilets but use much less water. Older model toilets can use up to 12 litres of water per flush, whereas dual-flush toilets use only 3 litres on a half-flush.

#### ■ Renewable and energy efficiency in buildings

Renewable energy is the term used to describe energy flows that occur naturally and continuously in the environment, such as energy from the wind and sun. In contrast to use of fossil fuels such as coal and gas, these energy sources are effectively inexhaustible. Using forms of renewable energy such as solar and wind also does not produce carbon dioxide emissions which cause climate change.

After maximising energy efficiency, use of renewable energy can offer a means to further reduce the carbon dioxide emissions generated by the use of a building. Making your building as energy efficient as possible, for example by installing high levels of insulation and double glazing, before investing in renewables will ensure you get the maximum benefits from any renewable technology.

There are many renewable energy technologies that may be appropriate for buildings. They include:

- **solar hot water panels** - these capture and store the sun's heat via water storage systems)
- **photo-voltaic panels** - these convert energy from daylight into electricity
- **ground source heat pumps** - these extract the heat from the ground via a refrigerant fluid (or water) and transfer it to a heat sink where it can then be circulated through the building via a heating system; they can also be operated in reverse to provide cooling
- **Biomass boilers** – these boilers burn organic matter to produce heat and/or electricity; use of biomass is generally considered to be 'carbon-neutral' because the carbon dioxide released during the generation of energy is balanced by that absorbed by plants during their growth.

#### ■ Energy efficient appliances

Appliances can account for up to 30 per cent of your home energy use. As our reliance on appliances increases and energy prices are also on the rise, choosing energy-efficient appliances becomes more important. The national standards for energy efficiency are improving the environmental performance of appliances all the time, so upgrading to a more efficient appliance can save you energy and money.

It's not only about having the right product—how you use appliances in your home can make a big difference. For example washing your clothes with cold water can save up to 10 times more energy than a warm wash.

When you replace an existing product, think about buying an energy-efficient appliance.

Considering energy use in addition to purchase price and product features will save you money and energy as well as reduce greenhouse gas emissions over the lifetime of the product. A lot of new appliances and some electronic equipment have Energy Rating Labels that can help you with this.

Depending on your circumstances and where you live, there may be rebates to help you buy more energy-efficient appliances like fridges and washing machines.

## Module II. – Marketing: concepts, elements and market plan

**Objective:** To create a positive beginning, know each other better, build a team and share the training goals and plans.

**Methodology:** Individual participation

**Training Materials/Equipment Required:** Felt pens, newsprints, notebooks, pens, pencils and rulers.

**Preparation Required:**

1. Write the training goals on a large paper
2. Prepare what to tell the participants during this session
3. Have the programme schedule at hand
4. Prepare name tags

**Content:**

Step I

- a) Agree on the language to be used during the training programme
- b) Evaluate the sitting arrangements and discuss the possibilities of changing from time to time to suit the session.

Step II

Introduction of participants.

Participants need to introduce each other and familiarize with any aspects of their lives they want people to know. Give them time to introduce one another on the plenary.

Ask each participant to write the name they wish to be called by during the workshop.

Step III

Ask participants to define marketing. Summarize their definitions into one agreed definition. Post the six marketing components posters and ensure everybody understands what they mean.

Step IV

Distribute cards to the participants and ask each participant to write **one expectation** of the meeting and **one problem** that they face in their business on separate cards.

Step V

Ask participants to paste the cards with their expectations and problems on the wall. Mount the big poster with training goals on the wall then ask the participants to match their expectations with the training goals.

Agree on how important expectations that may not be covered during the session will be covered (these could be covered during another training programme).

Step VI

Present the programme schedule and find out if there are questions. Keep the programme for the day written on newsprints and posted everyday on the walls.

Step VII

Agree with participants on the workshop norms

Step VIII

Now you are ready to begin with the concepts

- **Marketing and Marketing Management – General Concepts**

Marketing, as defined by the American Marketing Association, is “the process of planning and executing the conception, pricing, promotion and distribution of ideas, products, and services, to create exchanges that satisfy individual and organizational goals.” Marketing is about identifying and understanding your customer and giving them what they want. It's not just about advertising and promoting your business.

Effective marketing is a result of examining every aspect of your business and how it affects the consumer's end experience. It covers everything you'll need to do in order to deliver your products and services to the consumer including research, planning, pricing, packaging, promotion, selling and distribution.

Marketing Management, according to Phillip Kotler, is “the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering and communicating superior customer value.” Marketing Management can also be described as the ongoing process by which a firm attempts to satisfy its chosen customers’ needs and wants, profitably, by applying marketing techniques and managing the firm’s marketing resources and activities.

To develop effective and cost-efficient marketing management strategies, firms need to have an objective and detailed understanding of their own business and the market in which they operate, which requires an accurate, fact-based market analysis. In turn, this analysis can lead to the development of marketing plans that specify how the firm will execute the preferred strategy and achieve the business’ objectives. Typically, a **marketing plan** includes:

- an executive summary,
- a situation analysis (summarizing the facts and insights gained through market research and marketing analysis),
- the firm’s mission statement (or long-term strategic vision),
- a statement of the firm’s key objectives,
- the marketing strategy (specifying the target segments to be pursued and the positioning to be achieved)
- And the marketing mix 6P’s (Product, Price, Place/Distribution, Promotion, People and Process) and how these components will be implemented.

### **The Importance of a Marketing Orientation**

Having a marketing orientation has become paramount to the success of business firms in the current economic environment, now characterized by highly empowered consumers, hyper-competitive markets, technological innovations and globalization. Formerly, firms used to have a production orientation. Many later moved to a sales orientation and now to a market orientation. Nevertheless, some firms are still mired in a product orientation, failing to recognize the broad scope of their business, and thus falling into what Theodore Levitt calls “Marketing Myopia.” Some examples to illustrate how production-oriented and marketing oriented firms see their business:

#### ***Production Oriented Firms Marketing Oriented Firms***

“We make cameras and film” “We help preserve beautiful memories”

“We make blue jeans” “We offer comfort, fashion and durability in apparel”

“We operate a long distance” “We provide multiple forms of reliable, efficient Telephone Company” and inexpensive communication services”.

- **Marketing and Marketing Management - Elements<sup>1</sup>**

A market orientation can lead to superior firm performance. To adopt a marketing orientation; firms need to focus on: the customer, competitors and the firm's competencies – elements that are commonly referred to as "The 3 C's".

### **2.1 The 3 C's: Customer Analysis**

Development of a firm's marketing strategy begins with the customer, or as indicated above, with the definition of the target market(s) the firm will attempt to serve. Firms need to know how and why their potential customers buy. This means having a good understanding of the customers' buying behaviour and their buying decision process in each of the potential target markets.

Consumer's buying behaviour is determined by their own characteristics (influenced by cultural, social, personal and psychological factors) and by external factors including marketing factors () and other stimuli generated by the economic, technological, and political environment. Marketing factors can be categorized as the 6 P's: product, price, place, promotion, people and process

Decision making by the customer typically encompasses five stages: identification of a need or problem, search for internal and external information, evaluation of alternatives, purchasing, and post-purchase analysis. To understand the buying decision process, firms need to have an in-depth knowledge of the Decision Making Unit (DMU) and the Decision Making Process (DMP).

With respect to the DMU, firms need to know who is involved in the purchasing process and the role they play. A member of the DMU can be an initiator, a decider, an influencer, a purchaser and/or a user. More than one member of the DMU can play each role and each member can play more than one role.

With respect to the DMP, firms need to have specific information about the process by which consumers buy the products the firm sells. For example: do they search for information? If so, how do they conduct that search? What criteria do they use in evaluating alternatives? How important are the different attributes? How do the members of the DMU interact? Where do they prefer to buy? How will the product be used? How frequently? How important is the need/problem it addresses.

To understand the potential customers' buying behaviour and identify and characterize their potential market segments, successful firms make use of the principles of consumer behaviour and commonly engage in some form of marketing research.

### **2.2 The 3 C's: Company Analysis**

Through company analysis a firm attempts to identify its strengths and weaknesses to satisfy its potential target customers' needs and expectations. The fit of the product/service to the firm's mission and goals is as important as the fit of the product/service to the target market.

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<sup>1</sup> Information available from S. Cuellar and M. Gomez, (2013), *Marketing Module : Marketing*

Marketers focus on understanding the company's cost structure and cost position relative to competitors, as well as concentrating on the firm's core competencies and other competitively distinct resources. Core competencies are particular strengths relative to other organizations in the industry; these attributes provide the fundamental basis for the provision of added value. A core competency can be the technical/subject know-how, a reliable process, close relationships with customers and suppliers, the product development process, and/or the firm's culture (e.g. employee dedication). The firm's resources include all the assets, capabilities, organizational processes, firm attributes, information, and knowledge that the firm controls.

The overall evaluation of a firm's strengths, weaknesses, opportunities, and threats is called SWOT analysis. It starts with the definition of an objective and aims at identifying the internal and external factors that are key to achieving the objective. Ideally, the SWOT analysis should be conducted by a group representing a broad range of perspectives throughout the firm. SWOT analysis groups key pieces of information into two main categories:

- Internal factors – The *strengths* and *weaknesses* internal to the firm
- External factors – The *opportunities* and *threats* presented by the external environment

Internal factors may be viewed as strengths or weaknesses depending upon their impact on the specific objective. What may represent strengths with respect to one objective may be weaknesses for another objective. Internal factors include all of the 4 P's (product, price, placement/distribution and promotion), as well as personnel, finance, manufacturing capabilities, and so on. The external factors include the opportunities and threats posed by the macro and micro-environments. The macro-environment includes demographic, economic, technological, political, legal, social and cultural factors, etc. The micro-environment includes the customers, competitors, distributors and suppliers.

Results of the SWOT analysis are used by decision makers to determine if the specified objective is attainable. If it is not, a different objective must be selected and the process repeated. If, on the other hand, the objective seems attainable, the results of the SWOT analysis are used as inputs in the generation of the firm's marketing strategies.

### **2.3 The 3 C's: Competitor Analysis**

Competitors' analysis is the assessment of the strengths and weaknesses of current and potential competitors. It provides both an offensive and defensive strategic context for identifying opportunities and threats. Using SWOT analysis, marketers typically develop detailed profiles of each competitor in the market.

Competitors' profiling gives a firm more strategic agility. It can reveal strategic weaknesses in rivals that the firm might consider exploiting and it may also allow for anticipating rivals' response to the firm's own strategies, the strategies of other competing firms, and changes in the market environment. Understanding the competition means that an offensive strategy can be implemented more quickly to exploit opportunities and capitalize on strengths. Similarly, defensive strategies can be employed more effectively to counter the threat of rival firms bent on exploiting the firm's own weaknesses. Firms that develop a systematic and advanced competitor profiling have a significant competitive advantage.

Competitor's profiling implies an in-depth description of competitors' background, finances, products, markets, facilities, personnel, and strategies. Background encompasses things such as: location of offices, plants, online presence, history, governance and organizational structure, among others. Finances includes: profit growth profile, various financial ratios, liquidity and cash flow, method of growth (organic or acquisitive), dividend policy and profitability. Products includes: depth and breadth of product lines, R&D strengths, new products developed, new product success rate, brands and strength of brand portfolio, brand loyalty and brand awareness, patents and licenses, and quality control conformance. Profiles of competitor markets encompasses segments served, market shares, customer base, distribution channels used (direct & indirect), geographical coverage, growth rate, customer loyalty, promotional mix. Facilities include things such as: production capacity, capacity utilization rate, age of plant, plant efficiency, capital investment, location, and shipping logistics. Personnel encompasses: number of employees, key employees, and skill sets, strength of management, and management style, compensation, benefits, employee morale and retention rates.. Corporate and marketing strategies encompass: objectives, mission statement, growth plans, marketing strategies, and recent acquisitions/divestitures.

In addition, it is very important for firms to analyze not only current competitors but also to identify and assess potential competitors. The most common types of potential competitors are: companies competing in a related product/market, companies using related technologies, companies already targeting the firm's prime market segment even if with unrelated products, companies from other geographical areas with similar products and new start-up companies organized by former employees and/or managers of existing companies.

Firms should know and keep in mind that the entrance of new competitors is likely when there are: high profit margins in the industry, unmet product demand, no major barriers to market entry, future growth potential, competitive rivalry is not intense and/or gaining a competitive advantage over existing firms is feasible.

### **FACILITATOR'S NOTES**

- Keep the training goals throughout the training
- Keep the group norms posted
- Keep 4 components of marketing posted

### **Business is about constant interaction with partnerships (Business partners)**

Customer – buyer etc

Customer – service provider

Producer – service provider – user etc.

### **Definition of marketing and marketing concept**

Marketing is a 4- step process, which aims at increasing sales and profits by concentrating on giving customers what they need/want.

STEP ONE Understand what customers need /want

STEP TWO Develop a product which gives customers what they need/want.

STEP THREE Promote the product to customers.

STEP FOUR Keep on improving the product (keep up with the customers)

### **MARKETING CONCEPT**

The concept holds that the key task of the business is to determine the needs/wants of the target markets (customers) and to adapt all the activities at delivering the desired satisfactions more effectively and efficiently than its competitors.

### **ELEMENTS OF MARKETING MANAGEMENT**

- The customer, this is your target market.  
Know your customer's buying behaviour
- Competitors, use SWOT analysis to develop detailed profiles of each competitor

### **EXERCISE**

The contents and the exercise leading to the preparation of a market strategy and a promotion campaign for a selected green product or service is presented in the annex 1 of this report

## Module III. - Market Strategy: concept and decisions<sup>2</sup>

Once the firm has an adequate understanding of the customer base and of its own competitive position in the market, marketing managers are in a position to **develop the marketing strategies** to accomplish the firm's goals. Developing a marketing strategy encompasses three major decisions:

1. selecting a target market;
2. determining the way the firm wants to position its product/service in the mind of its target customers; and
3. Defining the marketing mix that will allow it to reach the selected target market and accomplish the desired positioning. The marketing mix is commonly referred to as the 4P's: product, placement/distribution, promotion and price.

It is very important for firms to keep an eye on any changes that may have an impact on the implementation and effectiveness of its marketing strategies. Factors to monitor for signs of change include, but are not limited to: technology, culture, politics, laws and regulations, and social norms.

### 3.1. Selecting a Target Market

In the selection of a target market a firm needs to consider which potential customers (segments) it should attempt to serve and the resources needed to do it successfully. The fit between the potential market and the firm's objectives as well as its competitive position (strengths and weaknesses) with respect to the competition must be assessed. Very importantly, the firm has to estimate the likely financial returns associated with the potential market(s).

### 3.2. Market Segmentation

To determine which potential customers to serve, firms make use of market segmentation. This technique aggregates customers into groups, making them homogeneous within a group and heterogeneous across groups. Different segments usually have different needs and expectations and, as such, may require different versions of the same product, may be willing to pay different prices for it, may buy in different places and may be reached by different media.

Segmentation can be conducted on the basis of several criteria, including: demographics (age, income, gender, occupation, etc.), psychographics (personality and lifestyle characteristics), geography (urban-rural, regional, national, etc.), usage (user vs. non-user, light, medium or heavy user, etc.), or multiple combinations of these.

Typically, marketers select one or more customer segments they intend to target and select those that score high on the following two dimensions: 1) the segment is large, growing, makes frequent purchases, is not price sensitive (i.e. is willing to pay high prices) and 2) the firm has the resources and capabilities to compete for a share of the market and serve the target customers better than the competition and in a profitable way.

### 3.3. Product/Service Positioning

An equally important part of a firm's marketing strategy is to determine how it wants its customers in each of the potential segments to view its product/service. This is usually formalized in a "positioning statement". Defining the positioning statement is of great importance to the firm because, once this

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<sup>2 2</sup> Information adapted from S. Cuellar and M. Gomez, (2013), *Marketing Module : Marketing*

is done, it is easier to determine the marketing mix (product, price, placement/distribution and promotion) the firm needs to use in each potential market segment to accomplish the desired positioning,

Typically the positioning statement starts with the name of the product/service, followed by the single most important claim the firm wants to make about it, followed by how it compares to competitors' products/services and ending with some argument on how the product/service and its benefits are supported.

## Module IV. - Marketing strategy elements - The marketing mix or the 4P's nowadays 6 P's<sup>3</sup>

It used to be the 4P's; that is; Product, Price, Place, Promotion; however, it was turned to 6P's by adding People (those who buy and those who sell the product) and Process. These are the 6 elements (or pillars) which anyone involved in marketing any product should have in mind when planning. The 6 pillars of green products and services are given below:

1. Product (green products and services)
2. Place (home or market)
3. Price (how much to sell)
4. Promotion (how to draw attention or create interest in the product)
5. People (Market chain actors, that is farmers, traders, processors and consumers)
6. Process



### The 6 P's

The following six areas provide a comprehensive framework for developing an effective marketing plan. These areas are often referred to as the "6Ps" or the 'marketing mix':

#### 4.1. Product

This covers the combination of goods and services that your business offers. It could include the following characteristics of your good or service: quality, variety, design, features, services, warranty, sizes, packaging, brand name and returns.

In marketing terms, a product is anything that can be offered to a market to satisfy a want or need. In other words, a product is the item(s) or service(s) that you are offering your customers. A product can be a physical object or a service and may refer to a single item or unit, a group of equivalent products or a group of goods or services.

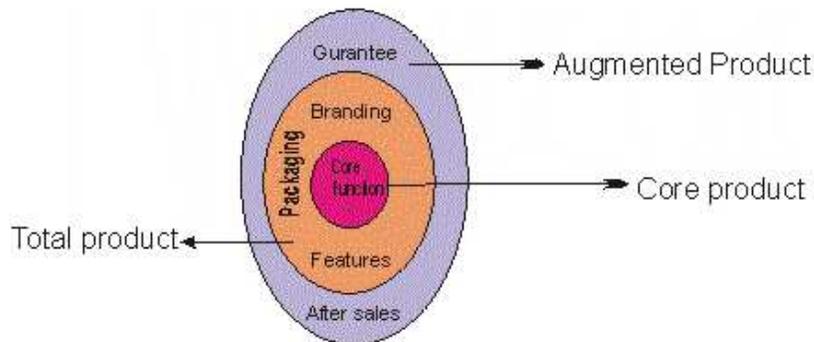
Products have 3 components:

**Core product** – this is the end benefit for the buyer and answers the question: What is the buyer really buying? For example, the buyer of a car is buying a means of transport, the buyer of an aspirin is buying pain relief and the buyer of financial advice is hoping to buy financial security and peace of mind.

<sup>3</sup> Information available in *Small Business Development Corporation Website* available in this link: <http://www.smallbusiness.wa.gov.au/business-topics/marketing/>

**Formal product** – this is the actual physical or perceived characteristics of your product including its level of quality, special features, styling, branding and packaging.

**Augmented product** – the support items that complete your total product offering such as after-sales service, warranty, delivery and installation.



**Products incorporate the following characteristics:**

• **Product attributes**

Quality – the major tool in positioning your product. It encompasses two key elements: 1) quality level - how it is made or perceived, and 2) quality consistency - how it performs over its life.

Features – the physical or intrinsic characteristics of your product that contribute to the benefits it offers.

Design – a combination of how the product looks and how it performs.

• **Branding**

A brand is a name, term, sign, symbol or design, or a combination of these elements that identifies the maker or seller of a product or service. Branding is an important part of a product and contributes to its personality and perceived value. The power of a brand cannot be underestimated – many people buy on the strength of brand alone with no regard for price or performance.

• **Packaging**

Packaging incorporates the wrapper or container for your product. It serves to protect the product, ensuring it reaches the buyer in good condition and also conveys the personality of your brand and important safety and statutory information. There are usually two levels of packaging – the primary packaging containing each individual product (eg: a can) and the secondary packaging which contains a quantity of products (eg: a carton).

• **Labelling**

Labelling incorporates all the written information about your product and usually takes the form of an adhesive sticker, a tie-on tag or a printed piece of packaging.

**4.2. Place (distribution)**

How does the consumer access your product or service? Things to think about in this area include: distribution channels, coverage, inventory, transportation, logistics and retail outlet location.

It's the method you use to get your product or service through various distribution channels to the ultimate purchaser or end-user – in other words, how and where the consumer buys your product or service.

It is a vitally important activity that focuses on:

- how to reach your target market
- location of your business
- location of your target market
- how to reach your target market
- warehousing of your stock
- transportation of your stock

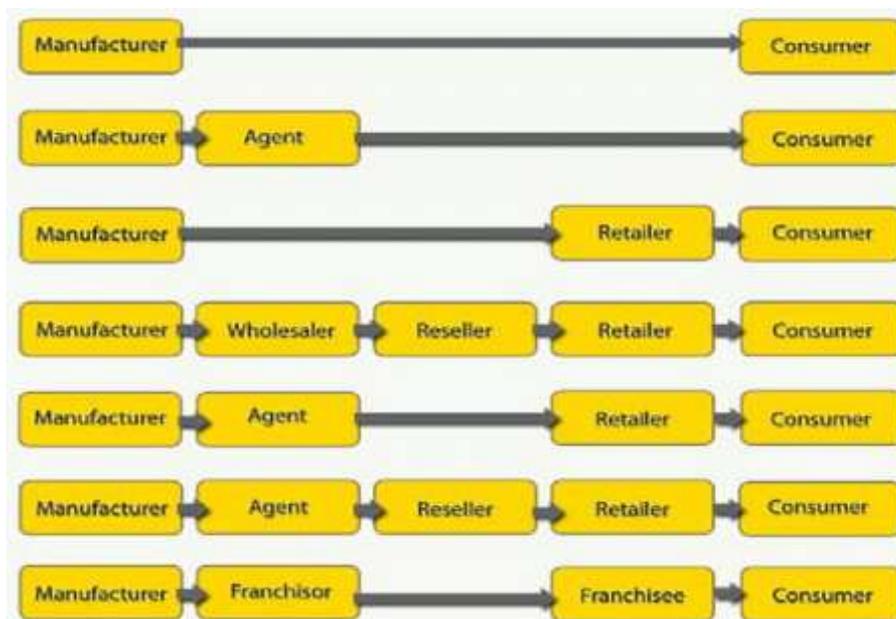
### **Locating your business**

The location of your business depends on a number of factors as outlined below:

- Are you retailing direct to the public or working through an intermediary?
- Is it convenient for customers to visit you?
- Where is your target market located?
- How important is exposure to your business?
- Where are your major competitors located?
- What is the occupancy cost?

### **Channels of distribution**

Distribution options include:



In some instances, multiple channels may be used. For example, a manufacturer may:

- sell to a wholesaler
- have a website or shop selling “factory direct” to the public
- have representatives selling “party plan” to the public
- have agents or distributors selling in other territories

In determining the best structure (or structures) for your business you’ll need to consider the following questions:

- What is the most convenient means for customers to obtain the products or services they want?
- What is the specific level of customer service standard required?
- What is the most cost-efficient way of providing accessibility and service?
- How many customers are there, where are they located, what is their average transaction value?
- What structures do your competitors use and how efficient are they?

### **Logistics**

Logistics is how you plan, implement and control the physical flow of raw materials, final products or services and related information from your business, or source of supply, to the final end-user (or consumer).

You will need to consider:

- how you will plan and schedule production
- how you will order and receive raw materials or finished products from your suppliers
- how much of each finished product you should carry in stock and what are the re-order points
- how you will store the products to ensure they are ready for delivery to your customers in good condition
- how you will deliver the products to your customers
- what stock control, invoicing and transportation administration systems you will require

In conclusion, place (or distribution) is a critical element of marketing – after all, marketing is about getting the right product, in the right quantity, to the right place, at the right time.

## **4.3. Price**

Pricing refers to the process of setting a price for a product or service and more than any other element of your marketing mix, will have the biggest impact on the amount of profit you make.

Developing an effective pricing strategy is a critical element of marketing because pricing is the only element of the marketing mix that creates sales revenue; the other elements create costs and sales volume.

**An effective pricing strategy will help you:**

- meet your profit objectives
- meet or beat your competitors’ prices

- retain or increase your market share
- match the image or reputation of your business, product or service
- match your offer to market demand

**To arrive at a price for your product or service you'll need to:**

- Establish what it costs to offer and deliver your products. Without this knowledge, you'll have no idea whether your prices are sufficient to not only cover all your costs, but to return a profit. Few businesses have failed because their prices are too high, however, many have folded because their prices weren't high enough to cover costs or generate a profit.
- Conduct market research to establish what price your competitors are charging and; what is the optimum price customers would be willing to pay for your product.

Your price will inevitably fall somewhere between that which is too low to produce a profit and that which is too high to generate any demand.

**The pricing structure**

A pricing structure consists of a base (or list) price and a variety of price modifiers which depend on the type of product you are selling and the type of market in which you operate.

The most common price modifiers are outlined below:

- **Quantity discount** – an incentive to buy more.
- **Settlement discount** – an incentive to pay quickly.
- **Promotional discount** – a discount for a specific period of time.
- **Seasonal discount** – an incentive to clear seasonally sensitive stock.
- **Cash rebate** – an after-sale incentive linked to a specified target.
- **Ranging allowance** – paid to a reseller in return for them stocking your product.
- **Promotional allowance** – for participation in a promotional campaign.
- **Delivery fee** – an amount you charge for delivering the product.
- **Credit card fee** – an amount you charge on credit card purchases.

At the end of the day, your objective should be to achieve the best possible price for your products or services taking into account:

- The value they provide for your customers – ie: how they satisfy their needs and wants in terms of features, benefits, utility value and prestige.
- Your cost structure – what is your break-even point and how much profit do you want to make?
- The competitive environment – what do your competitors charge for similar products and services?
- Your competitive advantage – do the products or services provide advantages that warrant a price premium?
- The economic and market environment – what is the level of demand in your industry?

## **FACILITATOR'S NOTES**

### **Importance of setting prices**

- a) To determine the price at which the product can be sold
- b) To ensure a profit
- c) To remain in the business
- d) Helps you reduce and control your prices
- e) Helps you make better decisions about your business
- f) Helps you plan the future of your business

### **Product example: Water Pot**

**Pricing of a Water Pot. The costing should include the following:**

#### **ITEM TIME COSTS**

Cost of clay, Time for clay collection, Time for moulding, Firing costs, Losses, Storage costs, Labor

#### **A. Production Costs**

##### **TOTAL PRODUCTION COSTS**

Transportation

Seller's time

Storage

Taxes

Losses

Promotion

Packaging

#### **B. Marketing Costs**

##### **TOTAL MARKETING COST**

Mark up of Production Cost + Marketing

Costs = Profit Margin

## 4.4. Promotion

Promotion is the method you use to spread the word about your product or service to customers, stakeholders and the broader public. Refers to how you communicate with your customers. Most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations.

Once you've identified your target market, you'll have a good idea of the best way to reach them, but most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations to promote their products or services.

### 1. Advertising

Advertising is a form of communication designed to persuade potential customers to choose your product or service over that of a competitor

Successful advertising involves making your products or services positively known by that section of the public most likely to purchase them.

It should be a planned, consistent activity that keeps the name of your business and the benefits of your products or services uppermost in the mind of the consumer.

#### **Objective**

The objective of advertising is to increase your profit by increasing your sales. Advertising aims to:

- Make your business and product name familiar to the public
- Create goodwill and build a favourable image
- Educate and inform the public
- Offer specific products or services
- Attract customers to find out more about your product or service

#### **The rules of advertising**

There are four rules to consider when planning any advertising activity – ie: before you prepare and book any form of advertising.

- **Aim** - What is the primary purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of your business?
- **Target** - Who is the target? From which sector of the public are you trying to achieve a response? For example is it male, female, adult, teenager, child, mother, father etc.
- **Media** – Bearing the aim and target in mind, which of the media available to you is the most suitable – ie: TV, radio, press or Internet?
- **Competitors** – What are your competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?

#### **Developing effective advertising**

Good advertising generally elicits the following four responses:

- **Attention** – It catches the eye or ear and stands out amid the clutter of competing advertisements.
- **Interest** – It arouses interest and delivers sufficient impact in the message or offering.
- **Desire** – It creates a desire to learn more or crave ownership.
- **Action** – It spurs an action which leads to achievement of the ad’s original objective – ie: it prompts potential customers to purchase or use your product or service.

### **Commonly used media**

There are many media options open to advertisers. Which media you use will depend on who you are trying to reach, what you want to say and your budget. Often a combination of media (the media mix) can be used to good effect. Remember to keep your branding and message consistent across all media. This includes use of colors, logos, design elements and fonts.

- **Stationery**

Stationery, which includes letterheads, envelopes and business cards, is a means by which your business image or “name identification” is projected.

- **Window display or office front**

The external presentation of your business office or shop is one of the principal ways of establishing your business image. An attractive, well maintained exterior with clear, bold sign writing is an essential start.

- **Press advertising**

This includes advertising in all press such as newspapers, magazines and journals. Press advertising is suitable for image building, information dissemination and sales campaigns.

- **Radio**

Radio is considered by many advertisers as an ideal medium due to its ability to reach specific target groups e.g. teenagers, racing followers or grocery buyers.

- **Television**

Television is a powerful advertising medium because it creates impact through sight, sound and movement however the cost of producing the advertisement and procuring sufficient air time to allow the campaign to work often makes it prohibitive for small business.

- **Direct mail**

This is a broad category covering direct communication with the consumer through email, post or fax. It can include newsletters, catalogues and letters

- **Outdoor**

This is any type of advertising which is done outdoors, including static advertising such as billboards, backs of street benches and bus shelters or mobile advertising displayed on buses, trains, taxis or towed signage.

- **Ambient**

Refers to any form of advertising that occurs in a non-standard medium outside the home, and usually where your consumers are likely to be. It’s limited only by your imagination and includes things like advertising on the back of shopping receipts or toilet doors at the cinema,

placing branded coasters at the local pub, projecting onto buildings, advertising inside lifts or distributing branded cups.

- **Cinema**

You can purchase cinema advertising by individual cinemas or screens for a set amount of screenings or “runs”. Most providers offer packages which include production and screening of your advertisement

- **Point of Sale**

Advertising at the point where the consumer makes a purchase decision eg: floor stickers, in-store digital advertising, shopping trolley signage, shelf or counter posters or playing interviews about your product in store.

- **Online**

The options for online advertising continue to grow rapidly. They include advertising on your website, advertising on other websites, creating links to your website from other websites, publishing blogs, offering online product games, social networks and forums.

- **Directory listings**

Many consumers use business directories to find a supplier. Directories include the yellow or white pages, union directories, trade directories or local business directories.

### **Evaluating the effectiveness of your advertising**

Famous American department store merchant John Wanamaker (1838-1922) was attributed as saying “Half the money I spend on advertising is wasted – the trouble is I don’t know which half.” This quote is often still true today as many businesses do not evaluate the effectiveness of their advertising.

Evaluating effectiveness can be as simple as staff asking every new customer “How did you hear about us?” or asking every customer that responds to an advertised special “where did you see or hear our advertisement?”

Whatever method you use, it is absolutely critical in getting top value for your advertising dollar by finding out which media works and which doesn't.

## **2. Selling**

Selling is the exchange of goods or services for an agreed sum of money. Depending on the circumstances, a sales transaction can include one, some or all of the following **stages**.

- **Prospecting and qualifying** – identifying qualified prospects ie: those that are likely to want or need your product or service and can afford to pay for it.
- **Pre-approach** – undertaking research about prospects to assist in the actual selling process.
- **Approach** – making actual contact with the prospect in person, by phone or in writing.

- **Presentation and demonstration** – presenting and demonstrating the features and benefits of your product or service in order to convince the prospect that their want or need can be satisfied.

*Handling objections* – demonstrating the product or service value to overcome real or perceived objections or misunderstandings that are impeding the purchase decision.

*Closing* – bringing the selling process to a successful conclusion by either asking for the order or responding to a positive decision from the prospect.

*Follow-up* – proactive or reactive contact with the purchaser to establish their satisfaction level and to address any problems that may exist.

In planning the selling element of your marketing strategy you will need to consider the following:

- The size and structure of your sales team
- Recruiting, training, motivating and evaluating individuals and the team as a whole
- The remuneration structure
- The location/territory to be serviced
- Management and communication systems

Selling is a particularly important element if you are marketing services because the purchaser of a professional service is in fact buying the capabilities of the seller. So he or she would be closely evaluating the behaviour and characteristics of your sales person, your business, its reputation, facilities and appearance.

### **3. Sales Promotion**

Sales promotion relates to short term incentives or activities that encourage the purchase or sale of a product or service. Sales promotions initiatives are often referred to as “below the line” activities.

#### **Major sales promotion activities**

Sales promotion activities can be targeted toward final buyers (consumer promotions), business customers (business promotions), retailers and wholesalers (trade promotions) and members of the sales force (sales force promotions). Here are some typical sales promotion activities:

##### **Consumer promotions**

- Point of purchase display material
- In-store demonstrations, samplings and celebrity appearances
- Competitions, coupons, sweepstakes and games
- On-pack offers, multi-packs and bonuses
- Loyalty reward programs

##### **Business promotions**

- Seminars and workshops
- Conference presentations

- Trade show displays
- Telemarketing and direct mail campaigns
- Newsletters
- Event sponsorship
- Capability documents

**Trade promotions**

- Reward incentives linked to purchases or sales
- Reseller staff incentives
- Competitions
- Corporate entertainment
- Bonus stock

**Sales Force Promotions**

- Commissions
- Sales competitions with prizes or awards

**4. Public Relations**

Public relations is about building good relations with the stakeholders (public) of your business by obtaining favourable publicity, building a good corporate image and handling or heading off unfavourable rumours, stories and events.

By building good relationships with your stakeholders, particularly customers, you can generate positive word of mouth and referrals from satisfied customers.

**Stakeholders**

Stakeholders are the various groups in a society which can influence or pressure your business's decision making and have an impact on its marketing performance. These groups include:

- Clients/customers
- Staff
- Shareholders
- Strategic partners
- Media
- Government
- Local community
- Financial institutions
- Community groups

Operationally, stakeholders really refer to those groups that your business is or should be, communicating with.

**Public relations tools**

- Typical PR tools include:
- News creation and distribution (media releases)
- Special events such as news conferences, grand openings and product launches

- Speeches and presentations
- Educational programs
- Annual reports, brochures, newsletters, magazines and AV presentations
- Community activities and sponsorships

### **Key steps in implementing public relations**

Implementing effective public relations activities requires careful planning. The three major steps are outlined below

1. *Setting the objectives* – what is it you want to achieve and who do you want to reach? Is it to create awareness of a new product or service to your existing clients, to overcome community misconceptions about your business or to create a positive impression with your bank manager?
2. *Deciding on the message and the vehicle* – what is the major thing you want to communicate and what public relations tools will you use to get the message to its target?
3. *Evaluating the results* – did you achieve the desired result and did it lead to a positive outcome?

Many small businesses do not devote enough attention to public relations in their promotional mix but done properly, it can be a powerful and cost effective business development and marketing tool.

## **4.5. People**

People are the greatest asset of any business. Your staff are ambassadors for your business. Think the following in relation to your staff: knowledge, experience, skills, communication, teamwork and attitude.

People are the pipeline through which your products and services pass from you to the final consumer. The more effective the pipeline, the better the outcome will be for all concerned. For you it will be a happy, efficient, effective and profitable operation; for the consumer it will be a pleasurable and rewarding buying experience leading to the development of loyalty, referral and repeat purchase.

You can have the best products or services, the best premises, the best promotional strategy and the best systems and procedures but without knowledgeable, well trained and motivated people, your business will eventually fail.

It's important not to restrict your focus on people to your own internal staff. Many individuals in the marketing pipeline have a direct impact on the ultimate performance of your business. These could include suppliers of raw materials, finished products and services, wholesalers, distributors, resellers and agents, associates and strategic partners.

### Managing people

Management is the art of getting things done through people, so the better the people on your team, the better managed your business will be. The process of managing people can be summarized in six key words:

- **Recruiting** – getting the right people on your team.
- **Training** – empowering them with the right knowledge and skills.
- **Supervising** – making sure they are keeping on track.
- **Motivating** – keeping them committed and satisfied.
- **Evaluating** – measuring their performance.
- **Rewarding** – providing adequate recognition, financial gain and growth opportunities

A good people manager will pay close attention to each of the six elements in order to maximize the value of their human capital.

### Developing your people strategy

When developing your people strategy be sure to consider different things for different groups of people. These groups of people are all integral members of your team – the team that is dedicated to satisfying the wants and needs of the marketplace in which you operate. You will need to consider such things as:

#### **Internal staff**

- How many will be required?
- Where should they be located?
- What skills do they have?
- What experience do they have?
- What qualifications do they have?
- What knowledge do they have?
- What kind of attitude do they possess?
- What training will they require?
- What remuneration package will be required to attract and retain them?
- Do they possess good references?
- Are they team players?

#### **Associates and strategic partners**

- What are their skills, knowledge, experience and qualifications?
- How can they add value to your operation and to the customer experience?
- Are their ethics and reputation compatible with your principles?
- Can they work with you without compromising their existing client relationships?
- Are they team players and not loners?

#### **Channel partners** (Wholesalers, distributors, resellers and agents)

- What are their skills, knowledge, experience and qualifications?
- Can they effectively represent you without compromising their existing trading relationships?
- Do they have the right infrastructure to provide efficient, cost-effective representation?
- Do they recognize the importance of the strategic partnership between you and them?
- Do they have a good reputation and a history of successful trading?

### **Suppliers**

- Can they supply the products and services that will meet the needs of your customers and ultimate end-users?
- Are they reliable and trustworthy people?
- Do they have efficient and timely supply systems?
- Do they offer value for money?
- Are they, like you, customer-focused?
- Are they interested in developing long term mutually rewarding relationships?
- Do they have a good reputation and a history of successful trading?

In conclusion each of the four key groups of people has a major role to play in the delivery of mutually rewarding customer experiences. Your role is to coordinate all the people resources at your disposal with the objective of ensuring that everyone is working as part of an overall team with the customer as the centre of attention.

## **4.6. Process**

Process refers to the procedures or processes that are developed to ensure the customer has a positive and memorable experience when purchasing and/or using your product or service.

The processes that you use in the day to day operation of your business have a flow-on effect on the customer's experience, even if it's simply ensuring that orders are effectively managed. Think about the following aspects of business operation: systems, quality control, planning, review, continuous improvement, documentation and feedback channels.

Process is concerned with the planning, development, implementation, documentation and review of systems and procedures to ensure that the central marketing objective of getting the right product, in the right quantity, to the right place at the right time in a profitable manner actually occurs. It's all about making sure the following things happen:

### **WHEN MARKETING PRODUCTS:**

- products are manufactured or purchased on time
- products deliver the required quality and performance levels
- sufficient stock is on hand to meet customer demand
- products reach the customer in a timely manner

- products reach the customer in good condition
- the paperwork is accurate and timely

#### **WHEN MARKETING SERVICES:**

- staff are available to perform the service when and where required
- staff provide the service to the required performance level
- sufficient staff are available to perform the service

#### **Key elements of process**

- **Planning**

The old adage always rings true – “if you fail to plan, you plan to fail”. Successful outcomes don’t happen by accident - it’s all about making sure you know what is required and then putting a plan in place to ensure you can deliver what’s needed.

Achieving a successful marketing result requires an effective marketing plan that contains strategies, tactics and activities that will satisfy the needs and wants of the marketplace.

- **Systems and procedures**

Well developed systems and procedures will provide a framework upon which positive customer experiences can be built and delivered.

Systems and procedures will contribute to the efficiency, cost-effectiveness, consistency, risk minimization and ultimately, profitability of your business.

- **Documentation**

Accurate, accessible and accountable documentation is at the core of any successful business. Documentation delivers information and information is the fuel that powers your business.

Effective management comes from having the right information at your disposal to make the right decisions and documenting information ensures that it is available when required to the right people in order to ensure that all facets of your business are focused on profitable customer satisfaction.

- **Quality control**

You’ve probably heard of the saying “Garbage in – garbage out”. This is most applicable when developing process because the outcome of the process is only as good as the input.

It’s critical that you ensure the quality of processes within your business is high and consistent. Poor quality or inconsistent processes will invariably result in sub-standard service, potentially costly errors, loss of customers and damaged goodwill.

Good quality control comes from good systems and procedures, effective documentation and a commitment to continuous improvement by all sections of your business.

- **Feedback and Review**

Process for process sake is a waste of time, resources and money. The bottom line is this: “Is my business achieving the objectives I have set for it, and as proprietor of the business am I achieving my personal objectives?”

The dollars and cents will certainly provide a short-term answer to this question but for the longer term, you will only know this if you continually seek honest, objective feedback from

customers, suppliers, staff and other stakeholders and where appropriate make the necessary changes to process to put your business back on track.

### **IMPROVING SELLING STRATEGY**

In order to improve the way you do things and what you achieve it is important to be innovative and develop new ideas. Innovation can produce changes in many areas such as the environment, society, technology, education and community health.

In a business sense, innovation focuses on creating positive outcomes from new products, services, operational and managerial processes, markets, market segments and organizations.

Innovation is fundamental to growing and improving your selling strategy and therefore your business. It's about making changes that will improve the efficiency, profitability and ultimately, the viability of your business.

All aspects of your business can benefit from innovation whether it is finance, human resources, research and development, sales and marketing or logistics. The innovation does not have to be totally new or revolutionary; it may be a small but incremental improvement that results in a positive outcome.

Your business competitiveness and survival is directly linked to your ability to innovate.

### **How can I foster innovation in my business?**

Build an environment in every part of your business that fosters innovative thinking and action. By doing this, you will harness and apply the collective knowledge, experience, skills and energy of everyone in the organization and focus this powerful collective wisdom on improving the way things are done.

You can foster innovation in your business by:

- developing a creative culture that encourages and rewards employees for their innovative contributions;
- investing time and money on innovation to create resources (financial and human) to devote to the process of innovation;
- seeking customer feedback on how you are performing; and
- Using your networks to generate new ideas, learn from others and access new business.

Being innovative is about taking calculated risks which will require you to be positive, imaginative, fearless and undeterred by negativity, cynicism and resistance to change.

### **Main types of innovation**

Broadly speaking, innovation in business can fall into three broad categories.

- **Product innovation**

Developing and introducing new products, services or technologies. eg. Researching, developing and commercializing a new product to capitalize on an identified market need.

- **Product improvement innovation**

Implementing improvements to current products or services. For example, increasing the performance capabilities, durability or appearance of an existing product.

- **Process innovation**

Streamlining and improving business processes to increase efficiency, productivity and profitability. For example, financial systems, manufacturing processes, internal and external communications.

Remember that innovation is not something only practiced by large or high-tech businesses. Even minor innovations in your small business can lead to improvements in your efficiency, profitability, competitive advantage and ultimately, your viability.

An important element in the commercialization process is how to protect the intellectual property inherent in your idea, innovation or invention.

My product or service is ready for market ...what next?

The final step in the commercialization process is getting your product or service to market.

## **FACILITATOR'S NOTES**

### **Important components of marketing**

**Product:** The item you are selling

**Place:** Finding the best way to get your product to the selling point

**Price:** Setting your price to make a profit

**Promotion:** Creating ways to persuade customers to buy your product

**People:** Your main asset in the business

**Process:** The positive experience that your customer has when buying your product

### **Roles –**

Chairperson - to moderate the discussions

Secretary - to record discussions on the newsprints

Presenter - to present the group results to the plenary

### **Assignment**

Supply posters with the definitions written on them and ask the group to highlight key things to consider in marketing under these components:

Group I – product

Group II – place

Group III – price

Group IV – promotion

## **Things to consider about the six Marketing Components**

### **PRODUCT:**

#### **The item you are selling**

Deciding which item to sell

Deciding which product will appeal to customers

Finding out if similar products are sold, how they are made, priced, and what customers like or dislike about them

Finding quality raw materials at a good price

Deciding how many products can be made within a specified time

Improving the quality of your product

Making packaging more attractive

### **PLACE/DISTRIBUTION: finding the best way to deliver your product to the selling point**

Who you should sell your product to

Whether to use a retailer or sell directly

Whether to use a middleman

Getting your product to the market or customer

Type and cost of transportation

Cooperation with other business people

Where to sell: house to house, markets, shops etc.

Methods of storage and their costs

### **PRICE: Setting your price to make a profit**

Setting your price margin of profit over costs

Prices of competitor's products and special prices for quick sales

Deciding whether customer purchases are based on price or quality

Price changes in different seasons of the year

### **PROMOTION: Creating ways to persuade customers to buy your product** Display of the product at the shop

Signs with information about product benefit for the customer

Manners of the salespeople

Things to entice a customer to visit a business

Ways to introduce a new product, such as free samples

Ways to advertise with signs, music, loudspeakers

Demonstration of how to use the product

Creating messages about the product

Appealing look of shop and the way the products are arranged

Creating an image of the product in the customers' minds

### **PEOPLE: the greatest asset of any business**

are ambassadors for your business

People are the pipeline through which your products and services pass

Learn the art of managing people

There are four key groups of people

Choose well your associated and strategic partners

### **PROCESS**

Key elements of the process: planning, development, implementation, documentation and review of

## Module V. Green Market plan for SMEs

- **Communicating to your customers that you are “green: Market Plan**

The key challenge companies producing green products and delivery green services have is to explain to their clients and to show them in practice that they care about the environment.

Many companies develop many green initiatives but either they do not communicate them or they do not recognize them as "green" in order to communicate them.

Here are some examples of simple "green" practices.

- Saving water
- Saving energy through several ways
- Use energy that comes from renewable resources
- Avoid waste & environmental pollution
- Reduced use of chemicals and raw materials that aren't environmentally friendly
- Have a proper policy and commitment to the environment

If any of the above examples is one of your business practices you should inform your clients. One effective way to do this is creating your own Marketing Plan.

### **Market plan**

Before starting the implementation of your marketing plan, organize it step by step. Start by defining your mission statement

#### **STEP 1: DEFINE YOUR MISSION STATEMENT**

Before you start anything take the plunge for exactly what you want to do. The mission/scope of your company is the beginning of your marketing strategy. You must be clear on what you want to do. The entrepreneurial initiative belongs to you and, based on that, you will be able to follow the next steps of building your marketing plan.

But what is the purpose of your mission statement?

Not only to communicate your business competitive advantage but also your green business competitive advantage such as:

- To express the responsibility of your business
- Present your environmental commitment
- Express a high priority on the needs and satisfaction of your customers
- Provide information to regulate activities for your business
- Provide motivation and convince your employees

If you define this then you can learn about your customer profile.

#### **STEP 2: LEARN ABOUT YOUR CUSTOMERS**

Marketing involves finding out what the customer wants and matching your products to meet those requirements, and in the process making a profit out of it.

The basic step is to analyze the current situation. This analysis is a thorough assessment of "where you are now", relying more on facts and not on regulatory proposals (what you should do to turn green or how to shape in the near future). It consists of separate analysis of internal (resources and capabilities) and external (competitors, consumers) factors of your enterprise or the cluster of enterprises that you are responsible for.

The analysis of external factors (i.e. customer analysis) should be directed towards understanding the current situation along with the trends that allow the prediction of future policies of your products. The analysis of internal factors (i.e. product, geographical sales analysis) is easier, since the necessary data are usually available directly from your SME's files themselves. Every SME or EIP should collect the following information in order to be aware of the marketing environment and to easily comprehend how they should focus to their "markets- targets". The internal and external factors of analysis are explained in the following paragraphs.

In the **General Analysis** of the sales, the figures can answer to questions like: What share of the green market products your enterprise has? What are the conclusions drawn from the comparison of the "green" sales of your enterprise with the "green" sales throughout the enterprise? Does the market share of your SME's green products increases or decreases? The most important factors of market that must be analyzed are: Total market size, market share of green industry in the total market, growth rate of green industry sales, Cyclicity and seasonality of green products, profitability of green industry. Additionally, the following factors of the industry should also be examined: capacity of green industry, entry "barriers" for new competitors to come, bargaining power of green supplies and buyers, etc.

Finally, the monitoring of the environment of your enterprise improves their capacity to deal with frequent and drastic environmental changes.

Of course, every enterprise in order to be realistic should analyze their competitors in the following issues: Which is their financial status, their current market share, their goals, their strategy and their major strengths and weaknesses and how they are likely to change and what is their ability to:

- a. conceive and design new green products
- b. produce or manufacture green products
- c. promote and advertise green products on the market

In the **Customer Analysis** of sales, you must identify and reach for "green" customers, as well as "green" consumers in general where sales did not reach the level of provisions. The information you should get is acquired from external factors. In this level it is important to understand who are your current customers and the potential customers for your green products, how they can be classified and what classification of those consumers is the most important for you and your competitors today and in the future.

The **Product Analysis** of sales has as a specific objective to find out the problematic, in terms of sales, product types and decide (problematic product types, in terms of sales and to decide) what products need to be withdrawn from market, so as their productivity line will become profitable and this is an internal factor of analysis.

The **Geographical Analysis** of sales, which is the most common type of sales analysis, has a goal to record the sales by geographic areas (internal factor also).

### **Analysis of Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)**

After analyzing the basic factors that are crucial for your SME (or EIP), in order to identify possible problems and opportunities for its components' green development, you should proceed in explaining how these factors could be categorized. This categorization is required of SMEs to identify their priorities.

The Swot analysis affected the idea that good strategy means ensuring a good "match" between the external situations of your enterprise (that is opportunities and threats) and its internal capacities and characteristics (that is its strengths and weaknesses). The SWOT analysis method is the main tool used from the marketers, in order to choose among different paths, the most appropriate strategic options that can be implemented.

The strengths and weaknesses concern the enterprise and its internal environment or its key relations with suppliers, intermediates and clients (micro-environment). The emphasis is on what you can do better than their competitors, in order to better satisfy a customer need or desire.

Instead, weaknesses turn out to be "restrictions" for the operation. However, you can and should seek to convert these weaknesses into strengths and even abilities by strategically investing in key areas and by effectively connecting several key areas.

Based on the SWOT analysis results we can conclude in which points your SME is strong and where is not. And based on that, the next step would be the ability to meet more effectively the client's needs than these of its competitors.

Being aware of the profile of the consumers you want to target and the restrictions imposed by the answers to the above criteria, will make you have a detailed picture of which may lead your SME to the next step of "being Green".

Below it is presented two examples of typical SWOTs analysis: one for a company have already adopt green market strategies and the other for an SME

SWOT analysis for a company having already adopted green market strategies

**Example of SWOT Analysis Matrix of an enterprise having adopted a green marketing strategy**

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"><li>■ Energy Saving</li><li>■ Quality image</li><li>■ Better working conditions</li></ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"><li>■ “Green” strategies are high cost investments and may be no liquidity for adopting them</li><li>■ Certain green strategies have a long-term projection to the enterprises profit</li></ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"><li>■ Better enterprise Image</li><li>■ Increase of green sales</li><li>■ Gain new consumers and increase market share</li><li>■ Gain profitability (Increased profitability)</li><li>■ Possibility of third person funding</li></ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"><li>■ The international financial instability generates a need to reduce the cost of products – possibility of green products reduce of sales</li><li>■ Local markets must follow the green international trends otherwise will be isolated and lose share of the consumers</li><li>■ The implementation of green marketing strategies must be accurate otherwise through media a possible mistake can be widely spread</li></ul>

Source: EU Ecomarket project

## SWOT Analysis Matrix of an SME

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"><li>■ Can be more flexible on decision making</li><li>■ Flexible working practices</li><li>■ Produces its products domestically and can control its quality most essentially</li><li>■ Can be more flexible on pricing policy</li></ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"><li>■ The competitors with better turnover, profitability, market share and know-how, have greater ability of adopting “green” strategies</li><li>■ The competitors have better distribution networks</li><li>■ Bigger enterprise can spend more on communication, advertising and promotion strategies</li></ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"><li>■ With respective investment on Green strategies an SME could gain a competitive advantage</li><li>■ The company merged with another increases the number of potential customers</li><li>■ An SME could exploit easier and better the dynamic of innovative ideas</li><li>■ An SME can focus on niche markets</li></ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"><li>■ Foreign competitors can construct a new facility of the latest technology with radical elements of innovation in the country – the EIP’s headquarters</li><li>■ Declining trend on market size</li></ul>

Sources: EU Ecomarket project

### STEP 3: DEVELOP YOUR OWN MARKETING STRATEGY

When all the quantitative and qualitative data concerning your customers have been collected you are ready to answer the main question “where do we wish to go?” and “how to get where we want?” Depending on that answer, you must decide and design both your marketing strategy as well as your action plans.

These actions can be targeted to sales targets, profit, market share, target markets, etc. They should be achievable, measurable, quantified and reported in a given timeframe. Thus, the companies develop strategies which are implemented either separately from each other, or all together, so they can create a “Green” Portfolio.

We can divide this Portfolio into 3 main critical axes: The first analyzes the possible actions concerning the green **functional structure and fixed equipment**, the second the actions to develop **company image and eco-standards** and the third one the actions concerning the **“greening” of the products** of your Products.

## **1-Actions for the Development of your Green Structures & Improvement of the Production Process**

These actions have been aiming at the creation of green protocols within the Industrial Area, for efficient and less costly use of energy resources, for the respect of environment and for the saving of energy of the enterprises. If there is no commitment from all the enterprises established in the Industrial Area, there is an increased risk of inappropriate functioning of the entire Industrial Area and a high failure rate for this operation. The “green” commitment must be in both economically and in human factors and can be achieved through the following initiatives:

### **Creation of green guidelines manufacturing protocol:**

The green manufacturing protocol includes indicative list of green material that can be used in order to make more eco-friendly buildings (energy saving). The use of environmentally efficient hardware and software that minimizes energy consumption and waste pollution is the implementation of green manufacturing.

**Guidelines creation for management green equipment, in order** to increase the energy efficiency of the management equipment, both at the workplace and at the storage facilities.

- **Creation of motives for the use of Renewable Energy Sources (RES):** The use of RES systems is highly recommended but in order to be adopted it has to be followed by economical alleviation. You should really consider the possibility of combining heat and power energy. This strategy relies on the simultaneous production of exploitable electricity and heat energy from the same source.

**Creation of effective waste management standards** based on the integration of techniques and processes designed to produce less waste using appropriate infrastructure and on the materials reuse, as a strategy that eliminates waste, reduces the cost of their deposition and saves energy and materials that can be reused as raw materials.

**Implementation of green policies regarding the logistics:** Base them on environmental standards and certifications. This can be achieved in two ways; the first concerns the improvement of conventional and widely used technologies. The second major category concerns new, "exotic" technologic developments. Another green policy regarding the logistics can be planned and implemented through the creation of green transport and logistics and can be achieved through the design of a green network, which will take account of the effects of locating production plants and distribution centres, compared to the operator system emissions.

**Development of green corporate culture protocols for the employees:** That can be succeeded through lifelong education of employees in every green initiative, new energy strategy and product innovation by the company.

Although the above initiatives are sufficient and cost saving, require high commitment of resources.

That's why most enterprises resort to the following actions, which can be implemented in less time and with less economical support from investors.

## **2-Actions for the Development of your Image & for the Integration of Ecological Standards.**

Firstly, is the science that unifies different branches of similar academic interest to develop efficient and environmentally friendly processes and products. Secondly, the intensity of knowledge, in order to create more green value when eco-content is added to products and services. Thirdly, productivity gains certifications through specific Environmental Management standards.

The first two factors denatured through the development of CSR programs and the third factor that concerns strategies for improving productivity through processes leading to certified environmental standards will be analyzed in the following.

### **Corporate Social Responsibility**

Among the most frequently used information tools on CSR include product labels, packaging, press relations / media, the news bulletins, thematic events, exhibitions, posters, flyers, brochures, the brochures, websites, advertisements, information packs, or simply advertising by word of mouth.

In short, effective communication requires to become all they can to ensure that the targeted public really got the message.

### **Environmental Management Standards**

Another way to achieve an eco-friendly identity is to follow a total of Environmental Management Standards. The most widely used global standard for environmental management is ISO 14001, which can be applied to all enterprises regardless of size and type or EMAS (Eco Management and Audit Scheme), which is a European Union mechanism certifying organizations that improve their environmental performance on an ongoing basis.

## **3- Actions concerning your Products**

Although, the marketing mix of a product can be composed by various elements, the "4Ps" has been established as the most important. The 4Ps elements are the product, the price, the promotion and the placement. You should focus in these 4 elements when creating your green marketing strategy.

### **A. Green Product**

Green Products and Services are those that can create criteria to reduce negative impacts on the environment, health climate and natural resources. There are no standard specifications on what exactly makes a product green. Some general guidelines/examples conclude that a green product:

- Does not present a dangerous impact to people or animals
- Is efficient in its use of resources during manufacture, use, and disposal
- Does not contribute to excessive waste in its use or packaging.

Other favourable attributes from the "green" point of view are the incorporation of recycled materials into the product and the products own recyclability.

## **B. Green Pricing**

A very important factor is the pricing of green products, because the majority of them are more expensive than the conventional ones.

A number of enterprises, even Small – Medium Enterprises (SMEs) have undertaken audits of their production processes to identify hidden environmental costs and to provide better information for pricing decisions.

## **C. Green Promotion**

The green marketing promotion needs the most attention. Because it is the factor that helps you reduce consumer confusion and educate them to understand terms such as recyclable, environmentally friendly, etc.

You should focus in four general green promotional guidelines concerning the product in general:

- a. Qualifications and disclosures should be sufficiently clear.
- b. Environmental claims should make clear whether they apply to the product, the package, or a component of either.
- c. You should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
- d. A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

## **D. Green Placement / Distribution**

The biggest problem of our time on the product distribution is the increased costs due to increased fuel and increasing transport costs. This in itself creates further issues to be resolved regarding the creation of green policy distribution. Package redesign for lighter weight and / or greater recyclability reduces waste while simultaneously reducing costs.

The above guidelines have been evolved by the years following the technological progress of the products. In that way, we have added new terms of characterizing the green products such as Ecolabelling and Eco-sponsoring.

## **STEP 4: CHOOSE ONE OF THE ALTERNATIVE GREEN MARKETING STRATEGIES**

There are two sets of questions that you should consider before choosing the green marketing strategy appropriate for your business entity. The first is to ask how substantial the green consumer segment is for your firm. The second is whether the brand or firm can be differentiated from the green dimension.

Most enterprises use a mixture of these strategies analysed below that's why it is preferable to isolate the elements that you think they match to your company profile in order to create your own tailor-made strategy.

### **Lean Green**

If you decide to use elements from the Lean Green strategy you should not focus on publicizing or marketing your green initiatives. Instead, you should try to reduce costs and improve

efficiencies through environmentally friendly activities, thereby creating a lower-cost competitive advantage, not a green one.

Lean Green companies are usually uncertain about promoting their green activities and the green product attributes for fear of being held to a higher standard. The companies are afraid of not being able to live up to its claims or differentiate themselves from competitors.

Lean Green enterprises do not want to promote their environmental efforts directly to the overall brand, because of the risk that all products of the company then may be pigeonholed as green. Therefore it is safer for Lean Green companies to tie their environmental friendliness to only one brand.

### **Defensive Green**

When defensive green strategy is used as a marketing strategy, it is used as a precautionary measure, or as a response to a crisis or to competitors' actions. Therefore, the enterprise use defensive green strategy in order to enhance brand image and ease the damage. On the other hand, by using this strategy companies cannot differentiate themselves from competitors on the basis of greenness.

Aggressive promotion of greenness would not be suitable since it would create high expectations that cannot be met. When using the defensive approach, companies engage in activities such as sponsoring smaller environmentally friendly events and programs. Those actions protect their environmental advertising claims from the potential difficulties created by activists, regulators or competitors. As long as the company is not in the position to obtain a sustainable competitive advantage on the basis of the greenness, but is eager to be environmentally responsible, defensive green is the appropriate strategic approach.

### **Shaded Green**

Shaded Green companies focus on having long-term, system wide, environmentally friendly processes that require both significant financial and nonfinancial commitment. Shaded Green companies see green activities as an opportunity to create innovative needs-satisfying products and technologies. These companies usually have the power and capability to differentiate themselves on greenness, but instead they choose to profit from highlighting other attributes. These attributes are usually the direct, tangible benefits provided to the customers.

Shaded Green companies usually sell their products through mainstream channels, where the environmental benefits are promoted only as a secondary factor. This type of promotion is most efficient when promoting products that have the ability to help the consumer save on recurring costs, such as energy, fuel and electricity.

### **Extreme Green**

Companies using extreme green as a marketing strategy are embodied with holistic philosophies and values. In these companies, environmental issues and responsibility are fully incorporated into the business and product life-cycle processes. Their practices include life-cycle pricing approaches, total-quality environmental management and the manufacturing for the environment. Companies that use Extreme green as a marketing strategy mostly serve

niche markets and sell their products or services through boutique stores or specialty channels.

Now that you can recognize the main points of each strategy it is time to create your own one.

### **CONCLUSION – KEY POINTS**

- An enterprise getting into a Green Marketing portfolio must be totally aware of what is been expected by its customers as well as the society
- Green Marketing strategy should commit everyone in the enterprise management.
- The principles of a Green Marketing Strategy should be strictly defined and controlled periodically
- The green marketing principles must be communicated to all stakeholders and to the public
- Green enterprise should always have in mind that when starting green policies always there would be a next step to follow

## Module VI. Options to market and promote green products: energy, materials, water and wastewater (examples or cases)

Promoting green products or green marketing (sometimes called environmental marketing, or eco-marketing), could be defined as the marketing of products and companies that promote the environment in some substantial way. Some definitions look for environmentally “safe” or “sustainable” production, while others seek to reduce a company’s “carbon footprint.”

Some business practices, such as reducing production waste or energy costs, are good for both the environment and business profitability. Adopting such practices may or may not be perceived as “green,” depending upon consumer perceptions of other aspects of the business. However, these actions can still be positioned as the company “doing its part”—promoting positive reactions toward the company.

Since all product production involves the consumption of energy and the production of some amount of waste, any company could potentially participate in green improvements and marketing. In practice, however, different companies participate in green marketing based on their estimation of its dollar and non-dollar value, with some businesses devoting their mission statements to green practices. Some examples of leaders in green marketing include:

### 6.1. Promotion of Solar Panels

#### [GO SOLAR CALIFORNIA](#), USA

Go Solar California is a campaign that promotes solar energy for residential and commercial use. Overseen by a joint collaboration between the California Energy Commission and the California Public Utilities Commission, Go Solar provides cash incentives (through rebates and tax credits) for home and business owners taking advantage of the state’s most abundant resource and to go green. Customers are eligible to earn cash back for every watt of solar energy installed on their home or business.

Specifically, the campaign hopes to encourage Californians to:

- Install 3,000 megawatts of solar energy by the end of 2016
- Install 585 million therms of gas-displacing solar hot water systems by the end of 2017

This programme created its own website [gosolarcalifornia](#) which provides California consumers a "one-stop shop" for information on solar programs, rebates, tax credits, and information on installing and interconnecting solar electric and solar thermal systems. The site has information on program rules, including eligible equipment and standards, as well as information on how to find an eligible, licensed solar contractor.

In this website you can also find the history of this programme and [Marketing and Programme Information Materials](#)

## **6.2. Promotion of energy efficiency**

**ENERGY STAR** and the “[Change a Light, Change the World Campaign](#)”

For eight years, the annual *Change a Light, Change the World* fall lighting promotion of the U.S. Environmental Protection Agency’s (EPA)’s ENERGY STAR® program served as the flagship consumer education campaign for the program and was a cornerstone of ENERGY STAR’s consumer education activities. Sponsored by numerous federal government agencies, the campaign acted as a national call to action for consumers to help change the world through decisions with a positive environmental impact.

The Change a Light campaign was about more than selling a product: it aimed to create a brand synonymous with a conscientious lifestyle that empowered consumers to change their behaviors in ways that promote socially and environmentally responsible purchase decisions.

Most people want to save energy and help reduce the risks of global climate change, but government agencies sometimes struggle to find simple ways for everyday citizens to do their part. One clear opportunity presented itself: encouraging Americans to change the type of light bulbs they used. If every American home replaced just one light bulb or fixture with an ENERGY STAR bulb, we would save enough energy to light more than 3 million homes for a year, save more than \$600 million in annual energy costs, and prevent greenhouse gases equivalent to the emissions of more than 800,000 cars.

CADMUS assumed the role of campaign project manager on behalf of EPA and worked very closely with the EPA project manager. As the campaign’s marketer, Cadmus developed and executed many firsts for the industry, including innovative social marketing tactics:

The Change a Light pledge and the online ENERGY STAR Change a Light Pledge and its associated Pledge Driver program, which remains a key feature of the ENERGY STAR program. More than three million consumers have taken the pledge.

Unique public relations and marketing partnerships between the public and private sectors

A bio-fueled public relations bus tour, the 2007 ENERGY STAR Change a Light Bus Tour:

This 20-day, ten-city national tour which involved media and public engagement events kicked off at the Disneyland Resort in California, the bus was the star of 16 events. The bus tour helped bring the campaign to life, using the vehicle to provide a branded visual backdrop across the country and a platform for interacting with consumers and providing hands-on learning and educational opportunities.

## **6.3. Promotion of Biogas**

## **PROMOTING BIOGAS IN EASTERN EUROPE**

BiG>East promotes biogas production and utilization as a secure, sustainable and competitive energy source in Eastern Europe. This is achieved by knowledge transfer from project partners with extensive, long-term expertise to six target countries: Bulgaria, Croatia, Greece, Latvia, Romania, and Slovenia. The core of the proposed action is biogas training courses for farmers and mobilization campaigns for decision makers. High quality training handbooks will be elaborated in order to support the training courses. Promising sites for biogas production will be identified and these Biogas Show Cases will be promoted to decision makers through mobilization campaigns. In each target country three training courses and two mobilization campaigns will be implemented. The objective is to provide the six target countries in Eastern Europe with newest information and expertise about innovative and cost-effective biogas production technologies in order to initiate the construction of new biogas plants in Eastern Europe.

### **Results**

Promotion of biogas in Eastern Europe

Creation of high-quality training material for farmers

Implementation of 3 biogas training courses for farmers in each target country: Bulgaria, Croatia, Greece, Latvia, Romania, and Slovenia

Identification of most promising sites for biogas production in Eastern Europe

Implementation of 2 mobilization campaigns for decision makers in each target country: Bulgaria, Croatia, Greece, Latvia, Romania, and Slovenia

### **Lessons learned**

Many stakeholders from Eastern and Southern Europe are very interested in biogas

There is high interest in the handbook since only limited information material is available in national language

Biogas plant and equipment manufacturers from Western Europe are seeking increasingly for new export opportunities.

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## Exercises for the two days course on marketing and promoting green products and services

The exercise leads to the preparation of a market strategy including a promotion campaign.

Each group choose one green product or service to work on it

- Exercise: To prepare a firm marketing strategy and a promotion campaign/program for a green product or service

### Step 1: (20 min)

Understanding your customer: determining your target market (s), define a sales problem

- Each group will work with a green product or service
- 
- Defining your product
  - Write the name of your product: appeal name!
  - Write 5 key attributes of your product: at least 2 green attributes
  - Discussing internally and answering the following questions:
    - Who are your customers? Are they segmented? What segments are they
    - What are their needs/expectations?
    - How and why they buy your product?
    - What share of the green market products your enterprise has?
    - Does the market share of your SME's green products increases or decreases?
- 
- After have answered these questions define
  - Prepare a statement defining your customer (s) and a problem related to your product sales
  - Prepare a Power point presentation containing: definition of your product, of your customer (target market) and a sales problem.

### Exercise: step 2

#### Set objectives and SWOT analysis

This session builds on the problem identification already carried out

The objective should be developed taking into account a group of Criteria: they are the qualities that objectives should meet in order to be measurable. Objectives should be SMART:

- S** Specific – the objectives should be precise (and interesting) enough that people involved understand and want to achieve them

- M** Measurable, preferably in performance terms -what is achieved and where rather than how to achieve it.
- A** Attainable or Acceptable – the objective should be accepted and owned by the key stakeholders
- R** Realistic. The objectives. Should be capable of being achieved otherwise the initial enthusiasm will result in a feeling of failure
- T** Time bound. It is critical that objectives are related to a meaningful time frame. The time frame should itself be linked to political and social realities as well as to physical development aspects

## “Smart” objectives

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Objectives should be:

- Specific
- Measurable
- Acceptable
- Realistic
- Time bound

### **Exercise: Setting Objectives (explanation how to use the SMART method)**

**Time frame:** 1 (to be given)

- Objectives:** The aim of the exercise is to get familiar with the concept of developing clear objectives, and to develop an objective related to the work you have to do, and which will be the basis of analysis later to develop an effective course of action.
- Input:** The introduction to the exercise, the definition of the core problem, the discussion of objectives and your own experience all form inputs to the exercise.
- Output:** One well thought out objective which has a realistic chance of being implementable.
- Instructions:** Read through the instructions. Discuss with other members of your group, or the co-ordinator if you don't understand something.

1. *Individual.* Try to develop an objective working from the core problem defined in the previous exercise and testing it against the SMART criteria , You will probably have a lot of potential objectives, but for the exercise, limit yourself to one at this stage )
2. *Group.* Discuss your answers within your group, and try to come to a consensus for one objective that meets the criteria and be prepared to present the results to the plenary
3. *Plenary.* Every group presents their objectives for discussion

Exercise: step 2

Objective and SWOT Analysis

- **Step 2.1: Looking at your problem and set an objective to solve or reduce it**
- **Use the SMART criteria to develop the objective: 20 min**
- **Step 2.2 SWOT analysis for your company : 20 min**
- **Outputs**
- **Use the format of the exercise sheet and the lecture example to prepare short statement showing the strengths, weaknesses, opportunities and threats for your company regard to the increase of sales of a product.**
- **Provide a short profile of your competitors: who are and what products they have; what are the weak and strong aspects**
- **Power point presentation: step 2.1 and 2.2: 5 min per group**

## **SWOT Analysis**

### **Company Analysis in relation to the consumers/customers and competitors**

Through company analysis a firm attempts to identify its strengths and weaknesses to satisfy its potential target customers' needs and expectations

The overall evaluation of a firm's strengths, weaknesses, opportunities, and threats is called SWOT analysis. It starts with the definition of an objective and aims at identifying the internal and external factors that are key to achieving the objective.

The Swot analysis affected the idea that good strategy means ensuring a good "match" between the external situations of your enterprise (that is opportunities and threats) and its internal capacities and characteristics (that is its strengths and weaknesses).

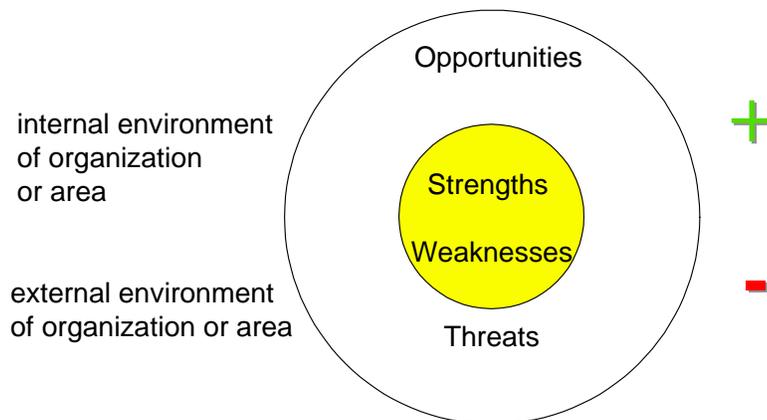
The SWOT analysis method is the main tool used from the marketers, in order to choose among different paths, the most appropriate strategic options that can be implemented.

SWOT stands for:

Internal factors – The *strengths* and *weaknesses* internal to the firm

• External factors – The *opportunities* and *threats* presented by the external environment

## SWOT Analysis



\*\* When preparing a SWOT analysis do not loose the focus on your competitors, compare the your company strengths/weaknesses and opportunities/treats regard to the competitor (s).

The strengths and weaknesses concern the enterprise and its internal environment or its key relations with suppliers, intermediates and clients (micro-environment). The emphasis is on what you can do better than their competitors, in order to better satisfy a customer need or desire.

Internal factors may be viewed as strengths or weaknesses depending upon their impact on the specific objective. What may represent strengths with respect to one objective may be weaknesses for another objective. Internal factors include all of the 4 P's (product, price, placement/distribution and promotion), as well as personnel, finance, manufacturing capabilities, and so on.

The external factors include the opportunities and threats posed by the macro and micro-environments. The macro-environment includes demographic, economic, technological, political, legal, social and cultural factors, etc. The micro-environment includes the customers, competitors, distributors and suppliers.

Based on the SWOT analysis results we can conclude in which points your SME is strong and where is not. And based on that, the next step would be the ability to meet more effectively the client's needs than these of its competitors.

Being aware of the profile of the consumers you want to target and the restrictions imposed by the answers to the above criteria, will make you have a detailed picture of which may lead your SME to the next step of "being Green".

## **Exercise: SWOT Analysis**

### **Time frame:**

**Objectives:** To carry out a SWOT analysis for your company

**Input:** Background scenario. Lecture.

**Output:** Identification of key factors (positive and negative) influencing the company sales of a product and a structured set of brief statements outlining potentialities and limitations in the company areas. Identify your potential competitors and their strong and weak aspects. These will be used later as a framework for development of actions.

### **Instructions:**

1. *Group:* Based on the contents of the background scenario and on your objective outline strengths, weaknesses, opportunities and threats for your company regard to the increase of sales of a product.
2. *Provide short description of your main competitors. Usually information in this profile include:* Background, finances, products, markets, facilities, personnel and strategies. Answer the following questions: who are and what products they have; what are the weak and strong aspects
3. *Plenary:* Bring your group work to the plenary session to present your results from step 2.1 and 2.2

Form 1	
Aspect	
<b>Strengths</b>  (Internal strengths of the organization)	
<b>Weaknesses</b>  (Internal weaknesses of the organization)	
<b>Opportunities</b>  (Opportunities presented by the external environment - in particular changes which will create possibilities)	

<p><b>Threats</b></p> <p>(Problems to be overcome due to the external environment and especially changes in it.)</p>	
<p><b>Profile of your competitors: weak and strong aspects</b></p>	

### Exercise: step 3

#### Developing a Position Statement for your product or service (30 min)

- look at the precedents results of steps 1 and 2 and develop a positioning product/service statement containing the following information:
  - the name of the product/service,
  - followed by the single most important claim the firm wants to make about it,
  - followed by how it compares to competitors' products/services and

- ending with some argument on how the product/service and its benefits are supported.
  
- Presentation: 5 min per group

#### **Exercise: step 4**

#### **Develop a Market strategy containing a promotion campaign/program**

- Look at your previous steps: sales problem, target market (customer), marketing objective, your product positioning statement and propose:
  - 4.1 A marketing strategies composed of at least 3 actions which one should be the core action.
  - 4.2 Prepare a promotion campaign/program for your product/service.
    - The promotion program using the 6W's (see lecture handout) and indicating a brand name for positioning your product/service in the market
    - Tip: look at the results of the research on green supply chains in Nepal in the handouts of lecture 1 green marketing
- Final presentation: 15 min per group
  - All the steps should be presented in a row.