Chapter - 8
DIRECTIONS AND GUIDELINES
CHAPTER VIII

Directions and Guidelines for Green Product Marketing Strategy

According to James C. Schroer (1990), in past most successful brands of consumer goods were built by heavy advertising and marketing investments. Since many marketers have lost sight of the connection between advertising spending and market share. And practice the art of discounting: cutting ad budgets to fund price promotions or fatten quarterly earnings. They may win the volume battle for some time, but they lose the competitive war. The marketers at some company’s needs to remember that brand value and consumer preference for brands drive market share. And also needs to know that price promotions buys shelf position. Most importantly, they understand the balance of advertising and promotion expenditures needed to build brands and gain share, market by market, regardless of growth trends in the product categories where they compete. Further he advised that great marketers have in common things are, awareness of a key factor in advertising: consistent investment spending (advertising should not be managed as a discretionary variable cost). The Advertising Weapon truly superior or inferior advertising content is an important factor in the gain or loss of market share.

Nicely suggested by Christopher W. Hart (2007) one of the most promising places to start is customer service is looking towards to boost customer satisfaction, eventually it’s also a place where long-term goals tend to secure under short-term financial pressures. Customers’ attitudes improve or deteriorate as people notice consistent quality differences. Changes pertaining to customer satisfaction scores do not happen immediately; they have to systematically work their particular way, and passes through complex value chains. In businesses with long purchasing cycle changes in customer satisfaction will take a while to make a difference in a company’s sales, ability to increase prices, and so on. In many service-intensive industries, if a company’s customer satisfaction increases, customers will be quick to adjust their behavior and tell other customers, and whose own purchase behavior is also likely to change quickly. Leaders who do not focus and proactive for increase customer satisfaction will eventually be responsible for degradation of their companies with time, in addition affects future financial earnings and relative shareholder value.
Pertaining to secondary Objectives

In view of E. Raymond Corey (1975), the main secret of the Green product company's success lies in understanding of marketing strategy. Identify unique Strategy by concentrating for few products and its market segments. The success of Green Company can be attributed to a wide range of actions, including a changed organization structure, a modified control system, constant emphasis on overhead reduction, and top management leadership. At the heart of its success are the choices management made, by green marketers, with regard to markets and products. These choices might be divided into four categories. Four key ideas for solving problems of market selection and product planning should be kept in consideration.

1. **What Green markets should be served?** Most important decisions in planning green marketing strategy are those related to the choice of a green customer market or markets to serve. Such choices are influenced by the company's background; by its marketing style, manufacturing, and technical innovation strengths; by the bonds of its relations with existing customers, the scientific community, and preexisting competitors; and by other geo-demographic considerations.

2. **What form should the green product take?** Green products are planned and designed to serve markets. Green Marketing strategies should not be developed for products but for markets—Theory, says, market selection comes first, and the choice of product form follows it. The product options are semi-fabricated raw materials, building components, and end products.

3. **What should the green product do for the user?** The “green product” is what the green product does and performs; it is the total package of benefits the customer receives when customer buys. This includes firstly the functional usefulness of the goods, the offered bundled product service that the manufacturer offers, the post technical assistance may be offered to his customers, and the assurance that the green product will be delivered when and where it is needed and in the desired quantities. Another benefit might be the seller’s brand name and reputation; these may help the buyer in his promotional activities. Another advantage that the customer may gain has to do with the range of relationships, technical and personal, that may develop among people in the selling and buying organizations. The Marketers may differentiate it from competitive offerings through special service, distribution, or brand image.
4. For whom is the green product most important? In broader sense, the green products will have different meaning to different customers. It is strategically advantageous for a marketer to concentrate on those potential customer groups that will value the product the most.

Making Product/Market choices green product planning and market selection are integrally related. Decisions in these two areas interdependent and Strategic choices with regard to green product/market strategy may be made along two dimensions, horizontal and vertical.

Table 41

<table>
<thead>
<tr>
<th>Horizontal green product / market Dimensions</th>
<th>Vertical green product / market Dimensions</th>
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</thead>
<tbody>
<tr>
<td>Horizontally, industrial markets can be segmented in terms of end-use application.</td>
<td>Vertical product/market choices have to do with the market level at which the supplier sells.</td>
</tr>
</tbody>
</table>

Diversifying into new markets

In the situation where a green company is diversifying into new markets, four considerations are very important. They can be stated in the form of questions for managers to ask:

1. Does Current market have high growth potential? Companies with large market share generally enjoy higher returns on investment than their competitors with lower market shares.

2. Market currently dominated by powerful competitors, or is it still possible to claim a large market share? The competitor with the largest market share often enjoys a low unit cost position in manufacturing and marketing.

Vertical Product/Market Selection issue are

Management’s willingness and ability to invest in the required manufacturing and marketing resources at different levels.

The resource requirement varies considerably from one stage to another. In addition, the market “environments” vary greatly from stage to stage along with customer characteristics.

Possibility that market development may be aborted by poor product quality? And what points in the manufacturing chain do quality risks exist? These considerations seem to dictate taking a product/market position at or close to the end-product level.

Product/market positioning

Selecting markets is a matter of identifying potential applications for some new product, problem then is one of product/market positioning. Failing to establish a niche based on unique performance advantages, the strategists turn, usually unprofitably, to fighting for the market survival of the product on a price basis.

Analyzing the market-level choice

A compelling consideration is what market segment will benefit the most from adopting the product. Major three considerations are —

1) market receptivity to the product concept,
2) ability to control end-product quality, and
3) Product promo-ability, argues for choosing a position in the finished market.

Product line proliferation

The extension of a product line to provide a range of sizes, models, or specifications, each designed for some particular market segment and end use, is a key competitive weapon in the fight for market share.

Questions for Marketers to ask

At what market level is the product concept most meaningful? It is largely in connection with vertical product/market selection that management should remember that the product is a variable in green marketing strategy. This is an especially important matter in developing markets for new green products.

Sources: E. Raymond Corey (1975) Options in Market Selection and Product Planning

D.A.V.V. Ph.D. Thesis (Management) by Harsh Ramgir
GREEN PRODUCT MARKETING STRATEGY: A STUDY

Porter Henry 1975 augmented, Sales managers needs to be sufficiently “scientific” in their decision making in. They pursue volume instead of profit, make piecemeal decisions instead of comprehensive plans, and rely on instinct and hunch rather than on methodical decision-making processes. Because the function they need to manage are complex, sales managers can profitably use the basic principles of the most modern of all scientific methods known by such terms as “systems engineering,” “systems analysis,” “the total systems concept,” and “the systems approach,” which help increase the productivity of a sales department. The methodology of systems analysis is described by author is in six steps:

1. Define the system to be investigated.
2. Define what the system ought to accomplish as well as the means to measure it. Including the elements that make up the system and quantify their relationships.
3. For each element, or for each major subassembly of elements, determine the measurable performance desired.
4. Consider the cost effectiveness of alternative methods to improve the performance of the system.
5. Implement the most desirable decisions and measure the results.

According to Joan Schneider and Julie Hall (2011), numerous factors can cause new products to fail. The biggest problem managers came across is improper preparation: Companies generally focused on designing better and manufacturing new products that they postpone the hard work of getting ready to market them in suitable time. He suggested five other frequent, and frequently fatal, flaws are: 1) Deep look for Company fast growth. 2) The short of claims under product falls should be bashed. 3) “product limbo” of new item exists 4)The defines a new category for product which also consumer education 5) The product may be revolutionary, but should have market for it.

Mark Leslie and Charles A. Holloway (2006) recommend matching firm’s sales force’s size and skills to where firms situated on the sales learning curve. Initially beta testing the green product, assign just a few salespeople to learn as much as they can about customers’ response to firm’s product. Use these insights to perfect the offering and your go-to-market strategy. Expand your sales force only after you see sales accelerate. By taking time to climb the sales learning curve, firms start generating profits on by firm’s new offering.
Developing A Comprehensive New-Product Strategy

Every green business goes through a unique learning process. The product developers need to correctly determine which features would make the product valuable to customers. And need to make it easy to use, reliable, and efficient to service. Marketers need to correctly analyze the product’s position relative to its competition and need to segment its market.

With appropriate develop packaging. The sales team needs to determine the number and type of distribution channels develop a sales model, work up a sales pitch. The broad range of issues that all three departments must resolve to launch a successful product is summarized in the below table.

<table>
<thead>
<tr>
<th>PRODUCT DEVELOPMENT</th>
<th>MARKETING</th>
<th>SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completeness</strong></td>
<td>Positioning</td>
<td>Distribution Channels</td>
</tr>
<tr>
<td>&gt; Features and functions</td>
<td>&gt; Competitive analysis</td>
<td>&gt; Number and type</td>
</tr>
<tr>
<td>&gt; Interface to existing ecosystem</td>
<td>&gt; Market segmentation</td>
<td>&gt; Channel support and training</td>
</tr>
<tr>
<td>&gt; Ease of installation</td>
<td>&gt; Marketing messages</td>
<td>Sales Force</td>
</tr>
<tr>
<td><strong>Correctness</strong></td>
<td>&gt; Proof of value proposition</td>
<td>&gt; Sales model</td>
</tr>
<tr>
<td>&gt; Value to customers</td>
<td>(ROI)</td>
<td>&gt; Sales pitch</td>
</tr>
<tr>
<td>&gt; Reliability</td>
<td>&gt; Packaging</td>
<td>&gt; Training and development</td>
</tr>
<tr>
<td>&gt; Ease of servicing</td>
<td>Promotion</td>
<td>&gt; Lead generation</td>
</tr>
<tr>
<td><strong>Fit</strong></td>
<td>&gt; Collateral materials</td>
<td>&gt; Technical support</td>
</tr>
<tr>
<td>&gt; Ease of use</td>
<td>&gt; Advertising, shows, and PR</td>
<td>Sales Stage</td>
</tr>
<tr>
<td>&gt; Suitability for environment</td>
<td>&gt; Customer testimonials</td>
<td>&gt; Learning</td>
</tr>
<tr>
<td></td>
<td>Pricing</td>
<td>&gt; Development</td>
</tr>
<tr>
<td></td>
<td>&gt; Across market segments</td>
<td>&gt; Expansion</td>
</tr>
<tr>
<td></td>
<td>&gt; Across channels</td>
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</table>

Source: Mark Leslie and Charles A. Holloway 2006

The go-to-market strategy for a new product should unfold in three parts: The initiation phase begins when the product is ready to hit the market; the transition phase in which green companies generally have acquired a critical mass of customers, and sales are beginning to accelerate. The execution phase the sales management is confident that the product has achieved traction and is entering the execution phase, sales reps can be hired as rapidly as the company’s management and financial constraints will allow.
Green Marketing Role

Green Product marketing and Green marketing communications should ideally be the center of learning activities during the initiation phase. Marketing leadership is responsible for bridging the gap between customers, sales reps, and the engineering organization. Everyone on the marketing team has to be knowledgeable about the product technology, able to understand customers and their needs, and proficient at communicating with renaissance reps. Further, success in this role requires more than just an understanding of the languages of these disparate groups and individuals in the company. It requires substantial credibility to convince customers, sales, and engineering that their needs will be accurately communicated to the other parties. Marketing must hold the product itself to high standards of completeness, correctness, and fit.

According to Andris A. Zoltners, Prabhakant Sinha, and Sally E. Lorimer (2006) although green companies allocate considerable time and financial inputs to managing their deployed sales forces, rare companies give thought to timely changing sales force actions over passing the life cycle of a product or their core business. Companies must timely alter four factors over time:

1. the roles that the sales force and selling partners play;
2. the size of the sales force; the sales force’s degree of specialization;
3. and how the sales people efforts among different customers groups, products, and activities.

These variables are critical and determine sales forces responsiveness to market opportunities which eventually influence sales forces performance and finally they affect company’s revenues, costs, and profitability.

During start-up sales force structure which works is required is different from when the business is growing stage, and subsequently during its maturity cycle, and lastly passing through its decline phase.

The four broadly classified life-cycle phases are not all mutually exclusive in nature. Generally numerous businesses pass through the defined four stages. Companies can adopt to move non-sequentially and pass through the life cycle stages designated but as new technologies or markets emerge in various front.
Martin Reeves and Mike Deimler (2011) highlighted that due to globalization, new technologies, and greater transparencies have combined to upend the business environment extremely turbulent. All this uncertainty of relation between profitability and industry poses a tremendous challenge for strategy making. Numerous implemented strategies is to build an enduring character/offer (and implicitly static) competitive advantage achievement by establishing clever market positioning in market (attractive niche with dominant scale) or accumulating the right capabilities and competencies for creating or delivering a competitive offering (doing this company does well derived).

Companies undertake periodic strategy reviews and set direction and organizational structure on the basis of an analysis of their industry and some forecast of how it will evolve. With the new level of uncertainty, many companies are facing problems like, apply frameworks that are based on scale or position, un-clarity about where one industry ends and another begins, how to measure position. And applicability of traditional forecasting and analysis that are at the core of strategic planning, overwhelmed with changing information, short / long planning cycle stay relevant. Answering these companies is coming up with point in a consistent direction.

Sustainable competitive advantage by companies not achievable only from product position, relevant scale, and relatively first-order capabilities in producing or delivering a suitable offering. All those are essentially static. Thrive are quick to read and act on signals of change. They have to have capability of, how to experiment rapidly and staidly, and economically not only with products and services but also with business models, adoptive processes, and specifically applied strategies.