



VAASAN AMMATTIKORKEAKOULU
VASA YRKESHÖGSKOLA
UNIVERSITY OF APPLIED SCIENCES

Venelin Kraev

HOW TO IDENTIFY GREEN WASHING IN A GREEN MARKETING STRATEGY

Case: OY Karl Fazer Ab

Business Economics and Tourism

2015

VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
International Business

ABSTRACT

Author Venelin Kraev
Title How to identify green washing in a green marketing strategy
Year 2014
Language English
Pages 83+Appendices
Name of supervisor Heidi Hellström

The sustainable state of the environment is among the first public concerns nowadays. Customers require certainty when buying products which are labeled as eco and green. These products are delivered under green marketing strategy. These strategies are used in order to present how green the products are and how their purchase can help the environment. In the past few years a counterpart of green marketing strategy was perceived by the public. Green washing is a way of the companies to market non-eco or non-green products with a green manner. The damage caused by green washing can be evaluated in scale of profit, pollution and economy distortion.

The aim of this thesis is to create a visible line between the counterparts for readers to be able to distinguish between them. The line which can show both the characteristics of green marketing and green washing and customers can evaluate when purchasing eco-products. The theoretical part of this work is concentrated around very important elements such as history, concepts, opportunities and challenges which will familiarize with the subjects.

The data for the empirical part was gathered using the quantitative method as most suitable for collecting bigger amount of responses. A questionnaire was issued by the writer with the most important questions. The final number of responses was 149. In order to strengthen the understanding a case company with eco-causes and processes was presented in the empirical part.

The conclusion showed that the familiarity of the public with both subjects is relatively low which creates even bigger need for research. Their perception for the level of threat green washing presents is also low due to unfamiliarity with the subject. The self-assessed green customer profile of the respondents was recognized in two main groups. The preferred media when gathering information on eco-products was found and grouped. Opinion on performance of the case company was also derived from the responses.

Keywords green marketing strategy, marketing, green washing, sustainability;

VAASAN AMMATTIKORKEAKOULU
International Business

TIIVISTELMÄ

Tekijä Venelin Kraev
Opinnäytetyön nimi Kuinka tunnistaa ympäristömarkkinoinnin yhteydessä esiintyvä viherpesu
Vuosi 2014
Kieli englanti
Sivumäärä 83+Liite
Ohjaaja Heidi Hellström

Ympäristön kestävä tila on yksi nykyajan yleisimmistä huolenaiheista. Kuluttajat kaipaavat varmuutta ostaessaan tuotteita, jotka on luokiteltu nimikkeillä eko ja vihreä. Tällaisia tuotteita myydään kuluttajille hyödyntämällä ympäristömarkkinointia. Ympäristömarkkinoinnilla tuodaan esille se, kuinka vihreitä tuotteet ovat ja miten niiden hankkimisella voi auttaa ympäristöä. Viime vuosina kuluttajat ovat voineet huomata ympäristömarkkinoinnin vastineen. Viherpesulla tarkoitetaan toimintaa, jolla yritykset markkinoivat vihreällä tavalla muita kuin eko- tai vihreitä tuotteita. Viherpesun aiheuttama vahinko on mahdollista mitata tuoton määrällä, saastumisella sekä talouden vääristymisellä.

Tämän työn tarkoituksena on luoda näkyvä ero ympäristömarkkinoinnin sekä viherpesun välille. Tällä erolla voidaan osoittaa ympäristömarkkinoinnin ja viherpesun tunnusomaiset ominaisuudet ja kuinka kuluttajat voivat arvioida näitä tunnusmerkkejä tehdessään ostopäätöksiä eko-tuotteista. Tämän työn teoreettinen osuus keskittyy hyvin tärkeisiin osatekijöihin, kuten historiaan, käsitteisiin, mahdollisuuksiin sekä haasteisiin liittyen ympäristömarkkinointiin sekä viherpesuun.

Tämän työn empiirinen aineisto on kerätty käyttämällä kvantitatiivista menetelmää johtuen sen sopivuudesta suurten aineistojen käsittelemiseen. Tämän työn tekijä laati kysymyslomakkeen liittyen tärkeimpiin kysymyksiin. Lopullisten vastausten määrä oli 149 kappaletta. Aiheen parempaa ymmärtämistä varten empiirisessä osiossa on esitetty yritys, jolla on ympäristöä edistävä aate ja toimintamalli.

Tulokset osoittivat, että ihmisten tietoisuus ympäristömarkkinoinnista ja viherpesusta on suhteellisen matala. Tällainen tulos entisestään lisää tutkimuksen tarvetta aiheesta. Lisäksi kuluttajien käsitys viherpesun aiheuttamasta uhasta on matala johtuen heidän perehtymättömyydestä aiheeseen. Saatujen vastausten perusteella oli mahdollista huomata kahteen eri ryhmään jakautuva vihreä kuluttajaprofiili. Lisäksi työssä asetettiin eko-tuotteista tietoa kertovat eri mediat tärkeysjärjestykseen. Saatujen vastausten perusteella oli myös mahdollista kommentoida yrityksen toimintaa.

CONTENTS

ABSTRACT	2
TIIVISTELMÄ	3
LIST OF FIGURES	6
LIST OF APPENDICES	8
1 INTRODUCTION	9
1.1 Aim of the Thesis	11
1.2 Thesis structure.....	11
2 GREEN MARKETING	13
2.1 History	13
2.2 Definition.....	15
2.3 Importance	16
2.4 Reasons.....	17
2.5 Segmentation of Green consumers	21
2.5.1 LOHAS	22
2.5.2 Naturalites	22
2.5.3 Drifters	22
2.5.4 Conventional	23
2.5.5 Unconcerned	23
2.6 Green Marketing Mix	24
2.7 Business opportunities.....	26
2.8 Challenges	28
3 GREENWASH	30
3.1 History	30
3.2 Definition and characteristics	31
3.3 Avoiding Greenwashing.....	33

3.3.1	Eco Labels.....	33
3.3.2	Green Product Management.....	34
3.3.3	Environmental Management System (EMS)	36
4	EMPIRICAL STUDY.....	39
4.1	Case Company description	39
4.2	Research method	40
4.3	Methodology	41
5	RESULTS OF THE EMPIRICAL STUDY	42
5.1	Demographic segmentation.....	43
5.2	Familiarity	46
5.3	Loyalty.....	49
5.4	Green respondent's profile	52
5.4.1	Self-Assessment	52
5.4.2	Reasons for buying eco-products	56
5.4.3	Media usage	57
5.5	Case company performance	63
5.5.1	Length of relationship	64
5.5.2	Familiarity with eco-causes.....	65
5.5.3	Media success.....	68
6	CONCLUSIONS	75
6.1	Summary	75
6.2	Suggestions for the company.....	77
6.3	Future researches	78
6.4	Reliability and validity	79
	REFERENCES.....	80
	APPENDIX	83

LIST OF FIGURES

Figure 1. Linking the firm and natural environment.....	17
Figure 2. Drivers of green behavior	19
Figure 3. Consumer Segmentation by Hartman Group (2009) used by Martin & Schouten.....	24
Figure 4. A Sample of an EMS Cycle	38
Figure 5. Gender and mother tongue of the respondents	43
Figure 6. Age of the respondents	44
Figure 7. Occupation of the respondents.....	45
Figure 8. Familiarity with green marketing	46
Figure 9. Familiarity with greenwashing	47
Figure 10. Engagement with greenwashing	48
Figure 11. Loyalty to the company if engaged with green washing	49
Figure 12. Green Marketing strategy and company's credibility.....	50
Figure 13. Eco-causes as a factor for the loyalty	51
Figure 14. Self-Assessment: "I consider myself a green-user".....	53
Figure 15. Self-Assessment: "I purchase green products"	54
Figure 16. Self-Assessment: "I participate in eco-causes"	55
Figure 17. Reasons for buying eco-products.....	56
Figure 18. Reasons for not buying eco-products.....	57
Figure 19. General Media.....	58
Figure 20. Blogs	59
Figure 21. Social Media	60
Figure 22. Friends and peers	61
Figure 23. Research.....	62
Figure 24. Familiarity with the company and length of being a customer.....	65
Figure 25. Information on the connection products and eco-causes	66
Figure 26. Information on eco-causes by customers.....	67
Figure 27. General Media.....	68
Figure 28. Blogs	69
Figure 29. Social Media	70

Figure 30. Friends and Peers	71
Figure 31. Research.....	72
Figure 32. Company's goals.....	73

LIST OF APPENDICES

Appendix 1 Green Marketing Thesis Questionnaire	83
--	----

1 INTRODUCTION

Sustainable consumption is a fast growing concern in business life nowadays. The concern the public has regarding the sustainable state of the eco-system has increased in the past few years. In her work Ottman (2011, 3) is comparing numbers from two different researches regarding concerns for the environment in United States (U.S from now on). A research conducted in 2009 by National Marketing Institute whose numbers are indicating that first three environmental issues of concern in U.S are water quality with 67%, hazardous waste with 61% and pollution from motor vehicles with 54% (Ottman 2011, 3). However these numbers have increased since the research in 1996 by Green Gauge (1996) on same topic when the numbers were: water quality 55%, hazardous waste 52% and auto air pollution 50% (Ottman 2011, 3).

In response to these concerns governmental and non-governmental organizations are applying numerous programs around the world for creating more sustainable environment and increasing quality of life. In 2008 the United Nations has launched the Green Economy Initiative (GEI). The Green Economy Initiative program is aiming to achieve three main goals:

(<http://www.unep.org/greeneconomy/AboutGEI/WhatisGEI/tabid/29784/language/en-US/Default.aspx>)

- The first one is to promote the Green Economy report and researches analyzing sustainability and providing guidance for investments;
- Providing advisory services towards green economy in countries of need;
- Implementing research by non-governmental organizations, business and UN partners for the Green Economy Initiative;

Other initiatives following the “Green Economy” example can be found in the list of Green Policies, Programs and Initiatives by the World Resources Institute. The Institute lists more than 50 initiatives all around the world whose purpose is to improve the most important sectors. The initiatives are applied in countries such as Ethiopia, China, Nepal, Kenya, Indonesia and many more. The purpose of the

following examples is to show the concern and interest of the public in the environment and the impact it has on business life.

People are worried about the sustainable future and these initiatives are running worldwide for clean air and water, fighting pollution and poverty, growing and eating organic food. The examples are taken from the World Resources Institute official website 2011.

(http://www.uncsd2012.org/content/documents/compendium_green_economy.pdf
)

In Ethiopia the Revival of Ethiopian coffee cooperatives initiative was launched in 2001 and is still running. The program has modified the marketing structure of coffee selling. While producers could have just sold the coffee to the national exchange and wait for it to be sold on the export market. Now the growers of coffee can sell their production directly to export buyers with the benefits of fair-trade agreements which coffee unions succeeded in arranging with developed countries.

Another initiative which is aimed at fair-trade business is the Fairtrade Labelling Organizations International. The program is running in a network of 19 Fairtrade Labelling initiatives in 23 countries in Europe and 58 developing countries. The program's aim is to promote the fair trade, cooperation among farmers and sustainability by creating homogenous business rules.

The agriculture sector is important for the provision of consumer goods. The importance of this sector is met in the Organic agriculture standard and policies in Uganda. Since the launch of this program in 2004 the acreage with organic production in the region increased with 60%, followed by the food quality and the income from the agricultural sector. The program reduced the green gas emissions and chemicals use in non-organic farms which increased the certified organic exports from US\$3.7 million in 2003 to US\$22.8 million in 2007.

These and many other examples are proving that consumers demand creates new market niches for businesses. The companies need to assure their production meets the requirements for sustainability to successfully engage in eco-business

lines, companies must practice credible green marketing strategies. On the other hand consumers must know how to make difference between green marketing strategy and green washing.

1.1 Aim of the Thesis

Due to the increased pollution of the environment nowadays the usage of unsustainable strategies or green washing is also increasing. Companies are pretending that their production is sustainable and they are environmentally concerned. A lot of companies are using “green strategies” in order increase profit or just gain some of the other benefits and in order to do so they mislead and misinform the customer base.

The research problem in this work is mainly focused on showing the readers and customers how to distinguish green marketing strategy from green washing. The purpose of this research will be to create a clear line between the two counterparts in order to show the customer characteristics of both green marketing and green washing. The work will focus mainly on increasing the awareness for the subjects and how they can be differentiated. Both counterparts will be explained in depth by mentioning history, definitions, concepts, characteristics, opportunities, pros and cons in business aspect.

As an important part of green marketing, green consumers and their types will be presented in the thesis from the work of Ottman (2011). The importance of consumers is vital and their preferences are very important for companies in order to develop their strategies. Green strategies, business advantages and disadvantages, efficiency and challenges will be discussed as well.

1.2 Thesis structure

This work is divided into four parts, which are introduction, theoretical framework, empirical part and conclusions.

The introduction will present the problem and explain it in detail. Also it will give examples in order to strengthen the understanding of the audience for the issue.

The relevant topics are green marketing and green washing so the state of environmental sustainability will be introduced as well with the effort of governmental and non-governmental organizations to increase quality of life.

The theoretical framework will be divided into two main parts so that it will be easier for the readers to understand the work. These two parts will be Green Marketing and Green washing. The sub-categories, namely history, concept and characteristics, will be identically structured for both parts. The history of green marketing will present several theories connecting environment to economy and explain the connection further. In the reasons for green marketing section the thesis will split into two sections - reasons for consumers and reasons for companies in order to help the reader to evaluate the values for sustaining the environment for both sides.

Due to the great importance of the environment, the work will create visible differences between the two counterparts with the help of green marketing mix, reasons, challenges and importance of sustainable marketing. The last parts of the theoretical framework are assigned to present strategies for avoiding green wash and communicating sustainability. These parts will sum the ways of consumers to distinguish green wash and companies to avoid such unsustainable marketing.

The empirical framework will present the case company, research method and methodology followed in this work. This part will contain the results gathered from the data as well. These results will try to investigate the main research question on basis of the questionnaire.

The conclusions part will include a summary of the work and will be provided in order to highlight important parts of the thesis and discuss the outcome. Also suggestions for the case company and future researches will be presented after showing the results. Reliability and validity of the research will be discussed as well in the conclusion part after explaining the outcome of this work.

2 GREEN MARKETING

Essential for this work would be to have a clear definition of the important terms. In this part of the work such definitions will be given so the readers can familiarize themselves and understand them further on in the thesis. In addition, in-depth knowledge such as the main characteristics of green marketing, concept, and types of consumers, business opportunities and challenges will be introduced in more detail.

The theory will follow academic literature carefully chosen to explain the problem and introduce the important terms, concepts and ideas. They will be presented so the topic can be unfolded and enriched with more possible ideas and solutions. This literature will oppose different opinions of various authors about the problem of green marketing and green washing. In the end of the chapter there will be a clear definition of green marketing derived from the used literature.

2.1 History

Consumers have always experienced a certain level of concern for the surrounding eco-system. According to the work of Peattie (1992, 16) the Green Marketing roots can be traced back to the early 1970's when the Ecology branch increases its research. The advancement in this field of studies is giving the 'Gaia Hypothesis' researched and suggested by James Lovelock. This hypothesis is explaining how the earth is a self-sustaining biosphere which is creating the elements needed for its existence. (Peattie 1992, 16).

The hypothesis is further researched and connected to Economics. A definition for Economics is given by Alfred Marschal: "The study of mankind in everyday business of life." The concepts of Economics are numerous but some of them can be related to the environment (Peattie 1992, 16)

- Wants, needs and demands;
- Goods and Services;
- Utility;

- Factors of production;
 - Land
 - Labor
 - Capital
- Exchange Processes;
- Markets;
- Economic Growth and Development;
- Cost and opportunity cost;
- Pricing;
- The Market Exchange Theory;
- Rent;

All these concepts are studied in the field of economics but in depth analysis is showing that they are inevitably connected to the sustainable state of the environment. With the progress of economics and increased demand the sustainable consumption increases its importance. This connection between the two fields varies from demand of products and services and the ability of supplying them. The utility and factors of production of these products and services differ in many cases and they reflect in different ways to the environment. Factors of production such as Land, Labor and Capital are all considered as resources which are decreasing with time. These concepts are showing clear connection between economics and environment (Peattie 1992, 16-17).

After the awakening among the consumers a valuable step is the creation of the “green groups”. In their work Martin and Schouten (2012) are explaining how during the 1970’s and 1980’s the public opinion shaped about sustainable consumption and creating organizations for the same cause. Numerous non-governmental organizations developed and renewed their activities with the mission of decreasing pollution and damage inflicted to the environment. Organizations such as Sierra Club, National Wildlife Federation, Nature Conservancy, World Wildlife Fund, Friends of the Earth and Natural Resources Defense Council all created in the 19th century shared equal values. Their global

membership participants are estimated to be around 11.2 million people. The mission of these organizations is to protect the planet, wildlife, lands and waters, to promote conservation of nature, create awareness of the changing state of the environment and to create healthy environment (Martin and Schouten 2012, 9 – 10).

Finally the history of environmental sustainability can show the evolution of the concerns for the environment and then the final stage which is evolving into a lifestyle. People's concerns for the surrounding natural world are steadily modifying with the increasing of research on the topic. If the history of green marketing is analyzed one can see that the beginning is marked by worries in a small scale, but with the development of the theories presented the issues are evolving.

2.2 Definition

Due to the remarkable importance for this research the concept of Green Marketing will be introduced in the following paragraphs. This concept will be presented in three parts as follows definition, importance and reasons. The theory analyzed in these paragraphs will show definitions of Green Marketing by different authors and will establish similarity between aspects which are represented by these definitions. In the end a clear aim of the field of green marketing can be created. Importance of Green Marketing will be presented as well in order to show for whom and why the green marketing is important.

In support of better understanding of green marketing a definition of marketing should be given first. Kotler & Keller (2012, 27) define marketing as "Identification and meeting human and social needs". The authors are also use the definition provided by the American Marketing Association which defines this field as "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." (Kotler & Keller 2012, 27)

According to the American Marketing Association the definition of green marketing is: “1. (Retail definition) marketing of products that are presumed to be environmentally friendly. 2. (Social marketing definition) development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality. 3. (Environment definition) efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns.”

(<https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=G>)

2.3 Importance

The following section will capture the importance of green marketing for the consumers, the environment and business life. In his work Worthington (2013, 22) indicates that the environment is contributing to the economic growth but the scarce resources are not renewable. This fact creates a paradox according to which humanity is unable to have positive economic growth and clean environment at the same point in time. (Worthington 2013, 22)

The relationship between economic growth and environmental protection suggested by Worthington (2013, 22) can be explained as connection between resources needed for satisfying the production needs of the economy. These resources are decreasing with the increase demand of the economy. Therefore the environmental protection is decreasing as well with the increasing of the economic growth. Worthington (2013, 22)

Another way to express the relationship between environment and economics is used by Worthington (2013, 8 – 9). According to the theory of Pearce and Turner (1990), Worthington (2005) used by Worthington (2013, 8 – 9) the environment is supplying the business organizations with three very important ‘economic’ functions. As the first function is mentioned that the environment is acting as a supplier of resources for business organizations, the second is to be an assimilator of waste products generated by economic activity and the third to be a direct source of amenity value or aesthetic enjoyment for individuals and organizations (Worthington 2013, 8 – 9).

The three functions are presented in Figure 1 as a chain process. The production of the products and/or services starts with harvesting of resources. The natural resources are used and transformed as “Inputs” by “Firms” so “Outputs” can be created. After the creation of Product the “Consumption” phase takes place. All phases are releasing waste and pollution in the physical environment during their lifetime. The size of pollution in each phase is different. Recycle, reuse, remanufacture and reclaim are the set of sustainable actions the firm is taking in order to decrease negative effects on the eco-system.

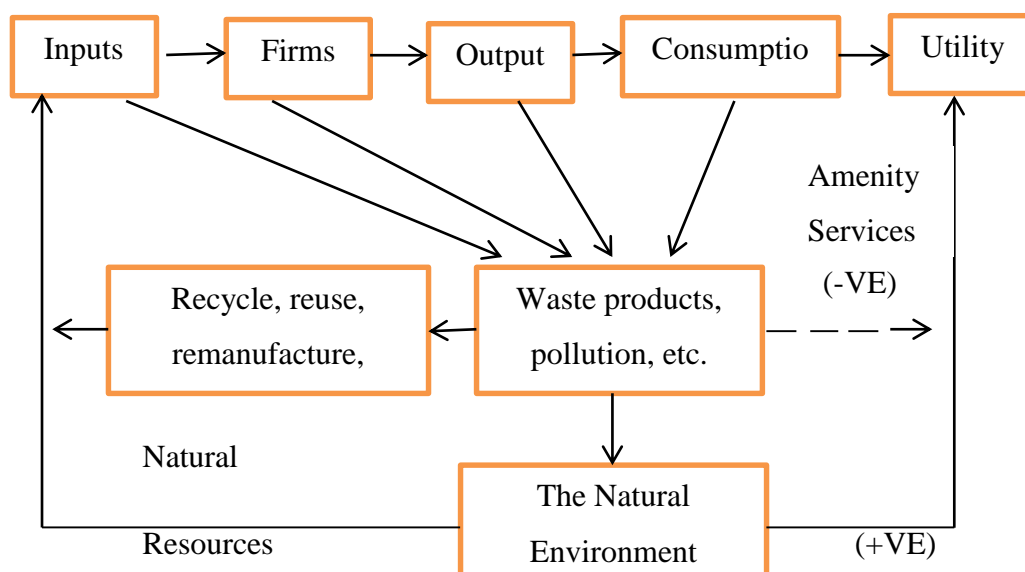


Figure 1. Linking the firm and natural environment

2.4 Reasons

The following section will focus on reasons for using green marketing. It will be divided in two groups – reasons for the organizations and reasons for the consumers. These reasons are explained because of their importance for understanding the factors which are considered as triggers for practicing sustainability from both sides. For a better explanation the customer section will be divided into four green generations and values of each generation will be presented as reasons for being a green user. The examples of the four generations are taken from the work of Ottman (2011).

The first modern green generation is the baby boomers. Ottman describes this group as: “Baby boomers are born between 1946 and 1964, and ranging in the age from 46 to 64 in 2010, the oldest Boomers, as college students and young adults, led the anti-Vietnam war, anti-big business, and pro-environment activist movements of the late 1960s and early 1970s.” The values of this group is arising the National Environment Policy Act 1969, the founding of the U.S Environmental Protection Agency in 1970, the Clean Air and the Clean Water Acts that same year, and the Endangered Species Act of 1973. Nowadays around 54% of this group is considered to be “socially conscious shoppers” (Ottman 2011, 5)

The second group named Generation X is “Generation Xers were born between 1964 and 1977 and are 33-46 years old as of 2010.” The values of this group were shaped by events such as the fire in the Union Carbide plant in Bhopal, India in 1984 which took 3,000 lives, Live Aid concert in regard of the famine relief in Ethiopia which was broadcasted to 400 million listeners worldwide, the Chernobyl catastrophe in 1986, and the Oil Spill in Prince William Sound, Alaska three years later (Ottman 2011, 5-6)

The generation named Y is the generation of technology. The third generation is explained as: “The Gen Ys are born between the early 1980s and the early 1990s, and in 2010 ranging in age from 20 to 30 years old.” This generation is vital for the marketing field due to their ability of creating opinions and feedbacks within the social media. The values of this generation shaped after events such as the Hurricane Katrina in 2005 and the British Petrol Oil Spill in the Gulf of Mexico in 2010. These values are thought in the school as many universities are applying environmental classes and are teaching sustainability (Ottman 2011, 6)

The last Generation Z is considered to be “born green”. As their values are shaped in a world with green consciousness currently under the age of 16 this group is living with the “greener type of life”. The recycling and the sorting of paper are taught in the schools and has been turned into a schedule for them. This generation is following the 3Rs of waste management: “reduce, reuse, and recycle” (Ottman 2011, 6)

The theory of the “green generations” show the reasons why society is advocating green marketing. These concerns and the societal pressure set an indispensable objective in focus of companies – to practice corporate environmentalism. Definition of corporate environmentalism is given by Worthington (2013) using the work of Shrivastava et al. (1992) is defining green businesses as firms which are involved in processes aimed at changing internally towards the needs of the environment. According to the definition this changing can take place in the core of the firm and its values. (Worthington 2013, 68)

Figure 2 show these drivers and their connection to the decision for a sustainable corporate strategy in a multilevel analysis. The four main drivers are legislation/ regulation, stakeholder pressures, economic opportunities and ethical influences and they are demonstrating a transition to firm-level green responses. This transition is mainly driven by external pressure. (Worthington 2013, 68)

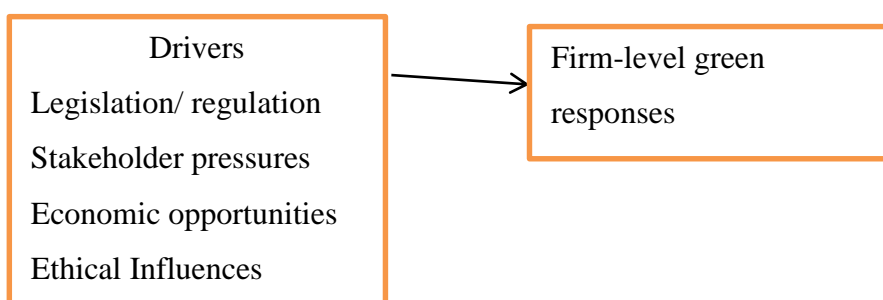


Figure 2. Drivers of green behavior

According to Worthington (2013, 71) the importance of law in influencing organizational decisions has been widely recognized in corporate greening literature and is frequently held to be the single most significant external factor in inducing businesses to undertake green initiatives (Worthington 2013, 71).

Numerous authors researched the topic for regulations of environmental sustainability and how they are affecting company’s business from internal point of view. To explain this theory Worthington (2013, 71) is using several sources from the authors Henriques and Sadorsky (1996), Andrews, R.N.L. (1998), Bansal and Roth (2000), Lindell and Karagozoglu (2001), Darnall (2002), Etzion (2007). All of these authors stating that a reason for using environmental friendly strategy can be seen in regulatory bodies. If a failure to comply with regulatory

requirements occur in a company it will result in an organization incurring fines, penalties, and legal costs and may threaten the position of a firm's directors and/or its reputation as a commercial enterprise (Worthington 2013, 71).

As a second driver Worthington (2013, 73) suggests stakeholder pressures. The author uses the work of Sharma and Henriques (2005) to explain the degree of pressure exercised by stakeholders. The opportunity for different stakeholder groups to exercise some degree of influence over the environmental behavior of a firm is normally related to their ability to impact an organization's bottom line via their responses.

A third driver is Economic Opportunities from the work of Porter and van der Linde (1995a, 1995b), and Bansal and Roth (2000) Worthington (2013) illustrates that emergence of the notions of 'eco-modernization' and 'eco-efficiency' in the later years of the twentieth century promoted the idea that pro-environmental responses could benefit the firm as well as the environment by generating opportunities on both demand and supply. By seeking ways to reduce their environmental impact, organizations might simultaneously be able to lower costs of production, for example by reducing waste and/or the price or quantity of inputs.

The forth driver presented in the analysis is ethical influences. Bansal and Roth (2000), Takala and Pallab (2000) and Wulfson (2001) are implying that companies may be motivated to improve their environmental performance because they believe it is the 'right thing to do' and is keeping with the norms and values of the organization.

In conclusion it can be seen that reasons for using green marketing for both society and corporations are different but nevertheless they create a chain reaction. The 'green generations' are focused on eco-efficiency and creating new market niches by materializing the concerns they have for environment in requirements regarding its defense. These niches are used by corporations in order to satisfy new demand, stakeholder's pressures, laws and legislations, increase

profit, use economic opportunities or comply with the ethical influences of the corporation itself.

2.5 Segmentation of Green consumers

After achieving an understanding for the reasons for using sustainable marketing and consumption by both society and corporations, in-depth knowledge of the types of green consumers should be presented. These types will be defined and explained using researches from different authors presenting different theories on green consumers should be segmented. These theories will introduce the main characteristics of consumers and will evaluate their interests.

A definition of sustainable consumption is given by Peattie (1992, 177-178) using the Green Consumer Guide by Elkington and Hailes which is explaining the green consumption as a process of avoidance of certain products. The consumers are avoiding products which are most likely to (Peattie 1992, 177-178):

- Endanger the health of consumers or others;
- Significantly damage the environment in production, use or disposal;
- Consume large amounts of resources during production, use or disposal;
- Unnecessary waste with packing, excess product features or a short lifespan;
- Use materials derived from endangered species or environments;
- Involve cruelty to, or exploitation of, animals;
- Adversely affect other countries particularly developing countries;

The mentioned characteristics are shaping a profile of a green consumer. A common understanding is that there are different groups and types of consumers. Green consumers are not an exception. Several authors are dividing this consumer group into several subgroups using different methods and theories to research purchasing and consumption behaviors of green consumers.

2.5.1 LOHAS

LOHAS (Lifestyles of Health and Sustainability) is according to Ottman (2011, 25) the most environmentally conscious group. Ottman is describing the group as 19% of all U.S adults in 2009 this number was 43 million. This group use products due to the connection with their health. This group is not only considered to be the most active in sustainable buying but also in supporting eco and social causes, water and energy preservation and lobbying elected officials to pass environmentally protective laws. The LOHAS are associating their values with businesses and they tend to be more loyal towards brands than other segmentations. The group of these buyers has a high tendency of sharing and recommending brands to their peers, examine eco labels and consumer the biggest amount of organically grown food compared to their subordinates. The trust towards “paid media” is relatively low and it will often manifest itself in information seeking in Internet and socializing (Ottman 2011, 25)

2.5.2 Naturalites

Naturalites are recognized in 34 million consumers in 2009. They have an orientation towards healthy lifestyle and are appealed by advertisements of products which consists the words “antibacterial”, “free of synthetic chemicals” and “natural”. This group is mainly concerned about the effects of the products and they can estimate the alternatives faster than other groups. Alongside with LOHAS for this group is important to find organic food in the stores. The most important line of interest for Naturalites is healthier lifestyle. In comparison with LOHAS they are less interested in sustainable buying but they are still pervious in eco education. (Ottman 2011, 26)

2.5.3 Drifters

This group is estimated to be around 25% of the U.S population or 57 million buyers, compared with LOHAS the Drifters are not considered to have certain strict lifestyles. These consumer group preferences are driven according to peer pressure and social fashions. Their favorable source of information will be the

paid media which is clear sign that they will not attempt any research. Also this group is within the moderate income range and is an attractive target market. Relatively sizable part of them is oriented towards advance sustainability which is a favorable element for marketers (Ottman 2011, 27-28).

2.5.4 Conventional

The forth group is named “Conventionals” and it is evaluated on 24% or 53 million consumers. The characteristics of this group are practical and they do not engage in sustainable lifestyles. “Conventionals” are driven by money factors to reduce costs and this is the main reason for them to use efficient products. This group is mainly oriented to recycle and reuses in order to save money but will have a relatively low probability of organic purchasing (Ottman 2011, 28)

2.5.5 Unconcerned

The “Unconcerneds” group is calculated to 17% of the population which is around 39 million. The consumers in this group are labelled as least environmentally oriented with the lowest sustainable purchasing. A small part of this group will oppose against actions of non-environmental organization. The Recycling done by the “Unconcerneds” is accounted to be around 24% of the whole group (Ottman 2011, 28)

Another type of segmentation for green markets is provided by Martin & Schouten (2013). Figure 3 is showing the segmented groups and their percentage. Namely Core - 13%, Inner Mid-Level - 35%, Outer Mid-Level - 31% and Periphery - 21% have different characteristics regarding the environmental preferences and behavior.

According to the graph the “Core” consumers are the strongest sustainable activist and the green behavior is higher in this section. These consumers are recognized to be purchasing green products and having responsible, healthy lifestyles. The Inner Mid-Level and the Outer Mid-Level shows relatively lower sustainable behavior and different purchasing habits than their first subordinates. The last segment group which is named “Periphery” is showing minimal or none environmental concern. (Martin & Schouten 2013, 91 – 92).

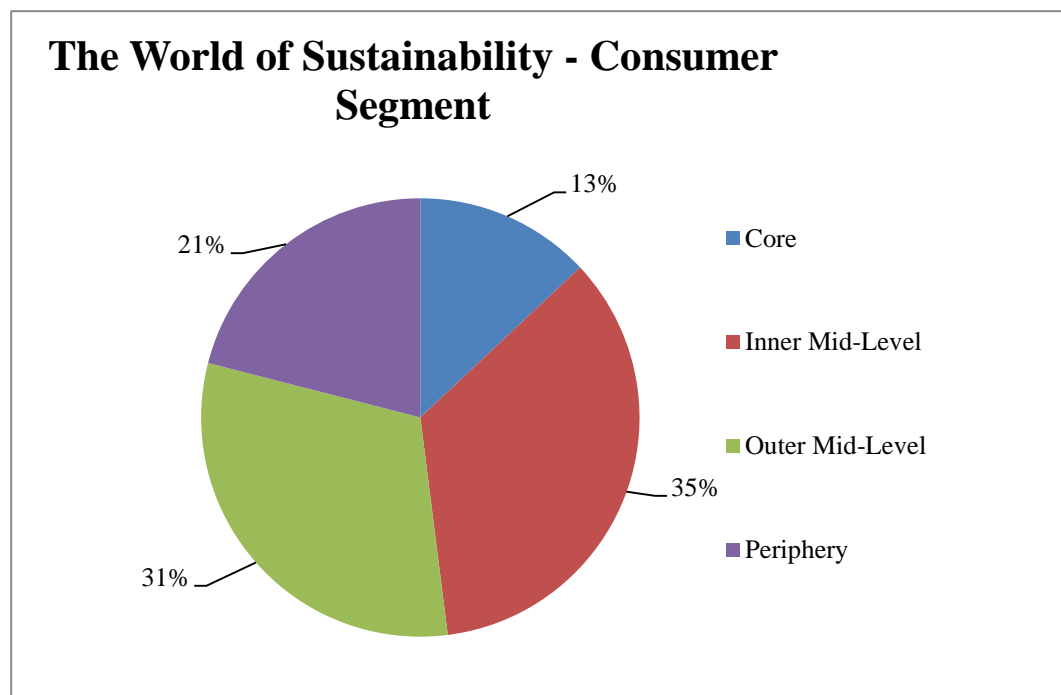


Figure 3. Consumer Segmentation by Hartman Group (2009) used by Martin & Schouten

2.6 Green Marketing Mix

The American Marketing Association is defining marketing mix as: “The mix of controllable marketing variables that the firm uses to pursue the desired level of sales in the target market.” The predominant factors used in this analyze are commonly called the 4P’s. Price, Place, Product and Promotion are the most important elements used by the businesses for identification of their results.

(<https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=M>)

In Green Marketing Mix the elements are used to evaluate environmental performance of a company. According to Peattie (1992, 103-105) green marketing mix is defined as two groups of P's. Internal P's are dealt within the company and external P's which are outside factors. The internal P's in green marketing mix are product, price, place, promotion providing information, processes, policies, and people in green marketing mix these P's have a different meaning.

- Products – the environmental impact products, packaging and raw materials have on the environment;
- Promotion – the usage of the promotional messages should be monitored closely;
- Price – the differences in cost and demand for the green goods, price sensitiveness and the degree of the acceptable price;
- Place – the distribution channels which are used should be within the green requirements;
- Providing information – monitoring the internal and external factors the marketers should provide information on the environmental performance.
- Processes – important due to their energy consumption and waste release;
- Policies – elements for monitoring and maintaining the environmental effect;
- People – the understanding of greening process by the public;

The external P's are worked with outside the company and marketers cannot have a firm grip on them. The second part of the suggested by Peattie (1999, 103-105) theory explains external P's. These marketing mix elements are connected with outside factors and how the environmental performance will be recognized outside of the business. In this category the author puts paying customers, providers, politicians, pressure groups, problems, predictions and partners (Peattie 1992, 103-105)

- Paying customers – have to be identified how green they are and do they have demand for green products;

- Providers – the state of the sustainability and eco-efficiency of the suppliers, raw materials, energy and etc. should be estimated;
- Politicians – the pressure created from the wide public towards electing politicians and the influence of green legislations for business life;
- Pressure Groups – highlighting of the concerns of the publicity;
- Problems – linkage of the company to any social or eco problems;
- Predictions – utilizing of researches and the good use of strategic planning
- Partners – the network of the company and if this network can be connected to the sustainable development;

2.7 Business opportunities

Charter and Polonsky (1999, 36-37) in their work are stating six different opportunities coming from using eco-friendly strategy. The following divisions are adopted from Charter & Polonsky (1999, 36-37) and will introduce the opportunities following the usage of green strategy.

The first one is the customer satisfaction from presenting green products and services. The authors are using the work of Poduska (et al. 1992) where readers can find concept of customer satisfaction. The conventional types of customer satisfactions are quality, service and value. According to Poduska (et al. 1992) these conventional types should be expanded with environmental issues. This information which the company is trying to communicate with the audience is important for the customer satisfaction and implementing a green strategy in a successful way.

A second benefit can be achieved in company's image. Charter and Polonsky (1999, 36-37) are using Banerjee's work (et al. 1995) which explains the connection between the image and environmental protectionism. The environmental commitment which is represented by the company can improve their publicity. A large number of the company's advertisements are focused on sustainable activities and this clearly shows that the main aim is to point out an eco-friendly company image.

Co-operative alliances are another way to succeed in the environmental strategy. The businesses are developing alliances with policy-makers, environmental groups and competitors in order to upgrade the effect of their strategies. This cooperation is turned into new market niches and opportunities for partner firms as they are able to first meet demand of customers and second increase their market share.

Launching green products focuses on the strategy to develop less harmful goods. Using the suggestion given by Schlossberg (1993), Charter and Polonsky (1999, 36-37) are explaining the importance of green products as a process which includes environmental aim and production. The products created are from recyclable materials with recyclable packages and natural resources. This type of production is believed to create huge environmental influence.

Another opportunity can be examined in the Research and Development section. The eco-friendly environmental process often requests essential investment. Charter & Polonsky (1999, 36-37) paraphrasing Coddington (1993) suggest that large investments in this sector are minimizing the impact the product is having on the environment. Therefore products become more eco-friendly and consumers are certain in the green strategy.

The last opportunity according to Charter & Polonsky (1999, 36-37) can be seen in enchanting competitive advantage. The authors are using the work of Porter and van der Linde (1995) explaining that implementing a green strategy might take long way to be beneficiary but many companies have accomplished decrease in costs. Besides the cost factor, as increase in market share and performance towards your competition can be noticed when using a sustainable strategy.

Further suggestion for the benefits for using green strategy is given by Ottman (2011, 16-17). In her work she explains that a corporation would create and follow a sustainable strategy for possible higher profits because according to a poll used in the research customers are willing to pay more for green products services. Ottman continues that the new generation of consumers has different and upgraded expectations of the environmentally safe products. The boom of

technology helps companies to create less toxic, healthier, more efficient and safer products. The unwillingness of the consumers to sacrifice performance instead of money can now be casted away due to the technology and innovation. (Ottman 2011, 16-17)

In conclusion it can be seen that business opportunities when using green strategies exist. The different groups of possible benefits can be achieved in a different level in different industries but nevertheless some of them can be achieved together. The outcomes suggested in these theories are due to well-planned and performed strategy. The companies which seek to acquire such opportunities would have to monitor and maintain a great strategic plan towards production, packaging, advertising and resource planning.

2.8 Challenges

The key challenges are separated into seven main ones: Industrial, Organizational, Institutional, Individual, Cognitive, Psychological, Internal and External barriers. Post and Altman's work in 1994 paraphrased by Worthington (2013, 82-83) give as an example capital costs, regulatory constraints, and lack of information and top management deficiencies for industrial and organizational barriers. Tilley (1999), Hoffman et al. (2000) and Steger et al. (2003) are collecting low environmental awareness, economic (resources) barriers, inadequate management, and lack of technical innovation, poor education and training as examples for institutional, individual and cognitive obstacles. Psychological, internal and external barriers according to Hoffman and Bazerman (2005) and Walker et al. (2008) can be cognitive biases, personal perception, budgets, lack of legitimation, poor performing supplier. As all these examples suggest the strategy has great challenges especially in some industries. (Worthington 2013, 82-83).

Another theory on challenges is suggested by Martin and Schouten (2012, 174) in the section of pricing. The main issue of the pricing of green products is that implementation creates barriers which are competitive, political and cultural. According to them the competitive barrier is the notion of pricing products which harmonizes prices with your competitors. Even in a sustainable market the

consumers will choose the least expensive product if the two products possess identical benefits. Exceptions are highly motivated and ultra-green consumers which are willing to pay premium. (Martin & Schouten 2012, 174)

Political obstacles materialize in the fact that governments do not want to apply any laws which will increase the consumer prices. An example can be the price of the beef which differs from free-ranging cattle or factory farm. The prices of the two types of meat are different because in the factory farm the animals are raised with antibiotics and hormones. This process of raising the animals is creating strong competition for the free-ranging cattle and they are unable to compete in the long term because they have to raise the costs of breeding the animals. (Martin & Schouten 2012, 174-175)

Cultural difficulties are set in the values, lifestyles and understandings of the consumer groups. These three factors are difficult to be adjusted because sustainable pricing is implying higher value to the products. Mainly the cultural barriers are seen as the inability of the audiences to reduce their consumption. This reduction is needed because if the prices implied are considered high then the poorest consumers will not be able to receive anything from the sustainable society. (Martin & Schouten 2012, 175)

3 GREENWASH

The challenges presented in the previous section can differ depending on industry and scale. However, all barriers can be avoided if a well-planned and prepared green strategy is used. The most important guarantee for a successful implementation is the right compliance with regulations, segmentations and requirements. All these factors must be regulated in order to avoid any sanctions, lost consumers or failures to produce the accurate product.

On the other hand, the following section will give insight on the counterpart of green marketing. Green washing will be introduced as a term, a brief history of unsustainable marketing, important characteristics, examples and disadvantages for society and business life will be presented as well. The elements of the field will be identified in order to introduce the disadvantageous influence to business life, environment and society. The problems which are created by green washing are slowly growing and society is turning great attention towards them. This type of unsustainable marketing in many cases steals efforts of real green strategies, companies and societies.

3.1 History

In their work Martin & Schouten (2012, 6) give a brief understanding of unsustainability and marketing during the industrial revolution. With the developing of mass production and evolving of the marketing theory, business life changed towards satisfying needs of consumers only. If those needs were satisfied, the businesses would achieve their goals and increase in profit without monitoring the damage to environment or society. These factors change the direction of priorities in corporate strategies. A supreme step for the corporations is satisfying the needs of customers without creating any damage to society. The idea of societal marketing awakened the corporations later on and enriched the marketing strategies with responsibility towards humanity (Martin & Schouten 2012, 6)

The origin of green washing and the term are set back in to the late 20th century. According to the work of Hayward (2009) used by Kahle & Gurel-Atay (2014, 44) the term's beginning is dated from 1986 when Jay Westerveld uses it in his essay. The matter of the work of Westerveld is within the hotel industry and the practice of hotels promoting reusing towels to their customers. This practice was labelled as environmental concern by the hotel management but later on it was discovered to be a cost reduction strategy and not a sustainable one. Nowadays this term stands for strategies which are focused towards a sustainable state of the environment but in fact are almost entirely focused on cost reductions without any physical prove for concern for society or environment. (Kahle & Gurel-Atay 2014, 44)

3.2 Definition and characteristics

In-depth knowledge on green washing is provided by Martin & Schouten (2013, 195). As already presented the term involves campaigns and/or advertisement of green products, services, causes and certificates which are faulty and deceiving for the publicity. In their work the authors are expanding the definition with some more characteristics. The term is created from two words: green as “eco-friendly” and “whitewash” as covering or misinforming. Often when marketers are intentionally or unintentionally practicing unsustainable marketing or misinforming audiences they harm brand image and loses customers. (Martin and Schouten 2013, 195)

Ottman (2011, 131-132) defines green washing as a strategy or practice of companies to draw in green-oriented consumers by creating “eco-friendly” products – but these products are accidently or deliberately less green than presented. Further in the work Ottman (2011) suggests that claims for green washing are easy to issue against a company. The complaints can come from media, legislators, environmentalists, competitors, consumers and scientific communities. The following paragraph will introduce these characteristics in order to familiarize the reader with them.

In order to prevent improper accusations “TerraChoice” publishes “The Seven Sins of Greenwashing” as a guide book of characteristics. Martin and Schouten are including the paper in their work to indicate unsustainable strategy. The work explains seven elements. (Martin and Schouten 2011, 195)

- Sin of the Hidden Trade-Off: Claiming a product is “eco-efficient” on a selective basis without mentioning other important characteristics of the product;
- Sin of No Proof: Claiming the product is “eco-efficient” without providing information on that fact;
- Sin of Vagueness: Overstating the quality, contents and etc. of the product;
- Sin of Worshiping False Labels: Presenting third party agencies or legislator’s labelling when the third party does not exist;
- Sin of Irrelevance: Claiming irrelevant and meaningless advertisements for the customers;
- Sin of Lesser of Two Evils: Making a advertising of a truthful fact about the product to avoid attention from another problem;
- Sin of Fibbing: Supporting false claims and false eco-certifications;

Another source of information for characteristics of green washing can be found in the work of Kahle & Gurel-Atay (2014, 47). They are using the FTC Green Guides to shape the recognition of green washing. The authors are using the updated in 2012 version of the Guides (Kahle & Gurel-Atay 2014, 47):

- The claims should not be addressed to products for the sole purpose of using “green” and “eco-friendly” as advertising words. On the other hand marketers are requested to express evidence for such sustainability of the product;
- The Guides provide more detailed information on certifications and seals. The marketers are warned not to use unauthorized labelling;
- Clear difference between the terms degradable (waste must break down within a year) and compostable (materials must break down within the time it will take to the ones which are composted with);

- More detailed information on recycling and availability of local facility for such function;
- Intention to explain the word free-off in advertisements. The word is not properly used if packaging or any other segment of the product contains equally dangerous material;
- Extension of the term nontoxic meaning not harmful to both humanity and wildlife;

3.3 Avoiding Greenwashing

An important factor for a company using green strategy is to use communication and implement credibility into their brands. The communication should fulfill certain patterns and should comply with trust between customers and marketers. To accomplish this, businesses should follow defined rules of creating trust. Some of these rules are eco labelling, green product management and environmental management systems.

In the following paragraphs these areas will be explained. They will be presented as part of the marketing strategy of companies and not as a process of production of “eco-friendly” commodities.

3.3.1 Eco Labels

Eco-labelling is playing a very important role in company's product. The labels are communicating the intentions of the business to help the environment. Martin and Schouten (2012, 148) explains that certification of an eco-label is acquired from a third party when a product complies with certain criteria. They give as an example the independent non-profit organization of Green Seal which issues green labels if the following steps are met (Martin & Schouten 2012, 148-148):

- Transparent information in corporate-level available to the public; Compliance with understandable for all consumers environmental management;
- Pursuing environmental achievements as well as providing possibilities for communities and society;

- Secure sustainable supplying of raw materials and other necessities for production;
- Researching on life-cycle assessment and decreasing pollution from production, packaging, end-of-product life and transportation;
- Stable requirements for the third-party certification to create communication of sustainability with consumers and promote environmental benefits;

3.3.2 Green Product Management

Green Products can be divided into two main indicative groups which according to Peattie (1992, 174) are ‘absolute green products’ and ‘relative green products’. The author defines the absolute green products as products or services which are boosting the environmental performance or helping society. These will include examples as health care services, pollution decreasing equipment and others. They can be recognized mainly with no pollution to the environment features. (Peattie 1992, 174-179)

The second group of products is ‘relative green products’ and according to Peattie (1992, 174-179) they can be recognized by decreasing of actual or potential polluting of the environment and harmful footprint towards society. Further on Peattie (1992, 174-179) states that for the creation of a green product there is a very important process which is “Green Product Performance”. The Green Product Performance can be separated into three main levels namely primary performance, technical performance and strategic performance. These levels can be achieved in variety of dimensions which product management should improve. (Peattie 1992, 174-179)

One of the dimensions according to Peattie (1992, 174-179) is the core product dimension. The main focus of this dimension is perception of the customer towards the product which can be summarized in effect on consumer behavior, green quality, green features, and removal of unsafe or unacceptable ingredients, green naming and branding, green design. The effect on consumer behavior consist of encouragement of greener behavior such Tupperware’s System and eco

cars. The green quality characteristic is folding-in the efficiency of the product such as energy, resource, contribution to waste and pollution, product safety, lifespan, re-usability and recyclability. The efficiency issue is especially important for the product because it is giving ability of the consumer to estimate the level of sustainability. The removal of unsafe or unacceptable ingredients or features includes absences of certain environmentally inappropriate elements. (Peattie 1992, 174-179)

Another dimension is the tangible product dimension or the characteristics the client perceives. Packaging in this area is using eco-labels mainly and recycled, reduced and biodegradable material for the package. The other line of the tangible dimension is the supporting products. Example for this element is the improvement of components creating the green product. (Peattie 1992, 174-179)

As the third dimension Peattie (1992, 177-179) is suggesting augmented product dimension which includes green ways of purchasing or the customer's ability to pick their own food and actively participate in distribution and packaging channels. Another feature in this dimension is providing green customer support; information services and offering support information on recycling and safe product disposal. For example help desks which can provide information on the product, process, recycling and any information of interest. Examples are the Visa card and American Express which when used donate 1 per cent of the sum to a charity event picked by the card holder. (Peattie 1992, 177-179)

The last mentioned by Peattie (1992, 174-179) dimension is total product dimension which contains switching to clearer and safer technologies and production methods, improving resource efficiency and deployment, greener purchasing and company policies. Clearer and safer technologies qualification is the improvement of the production process which a company is using for creating greener products. Improving resource efficiency and deployment is the modifying numbers in the area of efficiency and consumption of resources of the products. Greener purchasing and company policies include purchasing components from sustainable suppliers and rules focused on the corporate policies, recycling schemes and sponsorship. (Peattie, 1992 174-179)

In conclusion it's shown that green product management is a very important area of interest for companies. This field contains all features which are important for consumers to purchase a certain green product. The companies must comply with all these dimensions in order to prepare a product which will meet the eco requirements. Green Product Management is also positive for companies because it creates credibility in the minds of consumers. A consumer will feel better towards a brand knowing that the management is highly supervising the production process.

3.3.3 Environmental Management System (EMS)

Another way of maintaining green business is environmental management system (EMS from now on). Worthington (2013, 170-171) defines EMS as “practices, processes, tools, programs, frameworks, efforts or policies aimed at improving a firm’s environmental performance.” Mainly all of these elements are oriented towards improving the environment performance and sustainability of the company, but the EMS is variable across the companies. (Worthington 2013, 170-171)

Worthington (2013) uses the work of Weldford and Gouldson (1993) explaining that the decisions within the EMS are helping for better environment management of the business. These decisions are targeting the objective and goals of the system. An efficient EMS needs to comply with three main characteristics which will make the objectives easier to achieve:

- Comprehensiveness – needs to include all the activities of an organization;
- Understandable – needs to be understandable for employees;
- Openness – the necessity of continuous improvement and monitoring;

Figure 4 is showing a sample of EMS cycle which is adopted from Worthington (2013, 176-181). According to the author EMS strategy is different for every company but the areas of interest are equal. The plan phase of the cycle is the phase in which top management is committing to the clause by familiarizing with

the regulations and legislations. This phase requires for managers and marketers to issue, review, and formulate an environmental policy which concerns the company's activity.

The second phase is the “do” phase which come most of the time right after planning the system. This phase includes training of employees, revising structure of information and resources flow and setting responsibilities and roles.

The third phase is set to be “check” phase or monitoring of the work. This step is mainly focused on observing the progress of the EMS and how the policies, regulations and laws are affecting the business. The report of this phase usually contains what level of achievement the company reached of its goals and objectives.

The last area of interest is the “act” which is established after the report from the previous phase. The marketers will understand what changes or issues they have to implement in order to gain more from the strategy. This phase is mainly focus on changes needed in case of poor performance (Worthington 2013, 176-181).

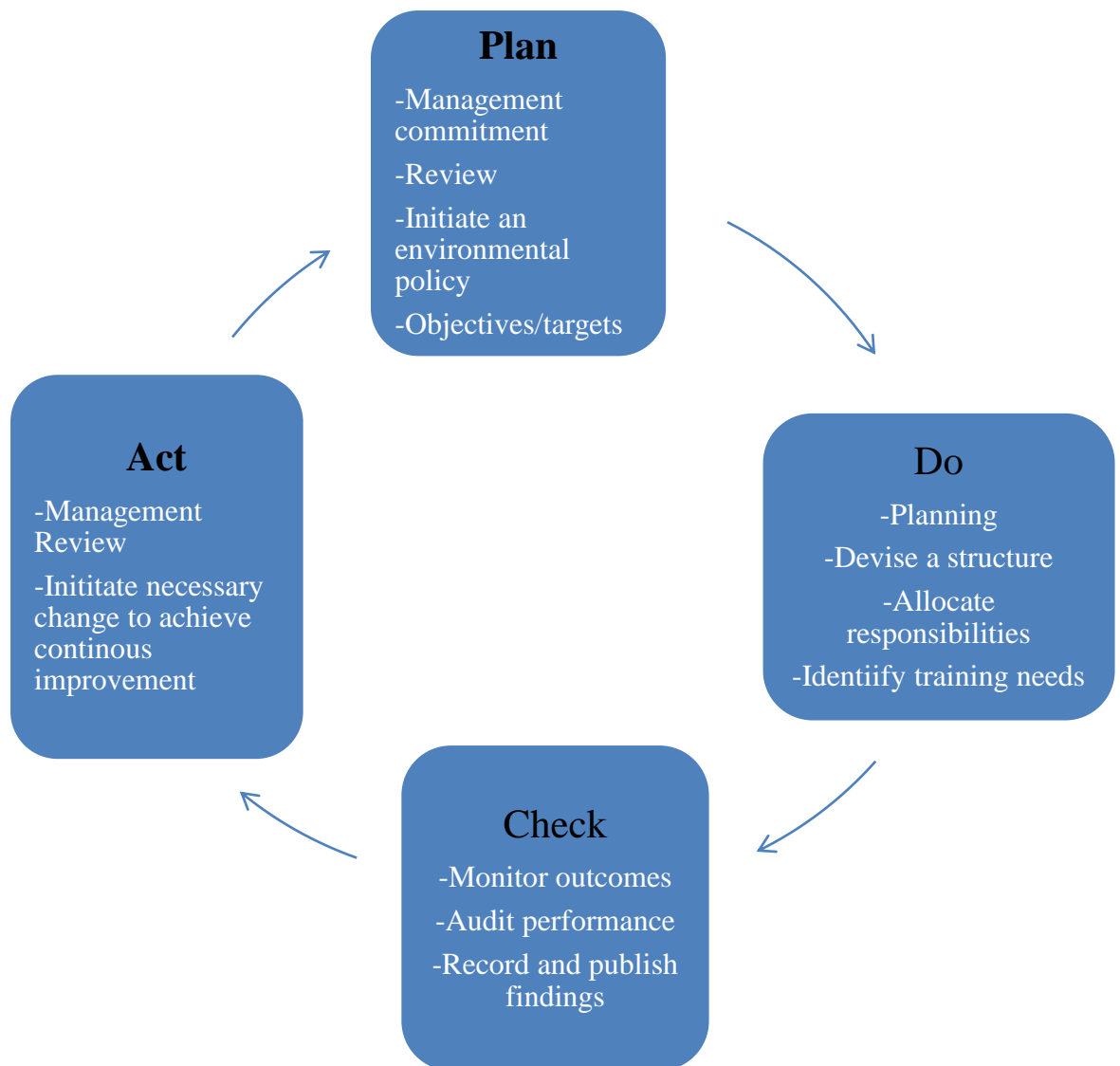


Figure 4. A Sample of an EMS Cycle

4 EMPIRICAL STUDY

4.1 Case Company description

The company used as a case in this work is OY Karl Fazer Ab. Karl Fazer is a leading Finnish company in food services, baking and confectionary products. The company is categorized as a large enterprise with turnover of 1,695.7 million euros for 2013 and employed personnel of 13,762 people. The company operates in three main sectors. One of the sectors is bakery services. The second one is confectionary business and third is food services.

The company's leadership in bakery services is strong in Finland, and it is one of the leaders in the Baltic countries and Russia. The baking services of the company are exported to 20 countries around the world. The company's bakeries in Finland, Sweden, Estonia, Latvia, Lithuania and Russia account for 19, additionally 47 in-store bakeries in Finland and 25 bakery shops in Sweden.

Another service of the company is the confectionary business which exports in 40 countries worldwide. The confectionary service of the company is strongest in Finland and one of the leaders on the Baltic market. The most famous confectionary brands of the company are Karl Fazer, Dumle, Geisha, TuttiFrutti, Xylimax and others. The domestic production of confectionary products is a top priority for the management since all of the factories are producing inside Finland.

The food services of the company are customer oriented and intended to be of high quality. They are specialized in tailor-made food solutions for all events and cases with nutritional and balanced recipes. This service is in the catering sector and includes schools, private and public sector, restaurants and others. The brands of the service are Amica, Fazer and Wip and there are around 1,200 restaurants in Finland, Sweden, Norway and Denmark. (<http://www.fazergroup.com/about-us/business-operations/>)

The company's environmental responsibility goals consist of the following steps. First the management is making plans on reducing energy consumption with 20% per ton of products by 2020. Another step is to increase the usage of renewable

energy in their processes to 70% of the total electricity usage by 2017. The third step is to increase the environmental monitoring and competence in the restaurant business line. (<http://www.fazergroup.com/about-us/annual-review/corporate-responsibility/>)

The main eco-causes which the company is supporting are in the line of energy efficiency within processes, decreasing carbon load, responsibility for well-being and support sustainable cocoa farming. These eco-causes are making the company perfect candidate for a case in this work since the research is based exactly on findings in regard of green strategy usage for consumer goods.

4.2 Research method

One of the most important parts of a study is the empirical part and the data gathered to prove or disapprove the research question. To increase the credibility of the data the author should carefully choose the research method. There are two main possibilities to choose from – qualitative and quantitative methods. Both methods have pros and cons for gathering and presenting the data. These pros and cons will be taken from the work of Bradley (2010) and explained in this paragraph.

Quantitative method according to Bradley (2010, 264) is a research method which uses statistics and numbers. The results of a quantitative method are aimed at being presented in numerical structure. This method is used mainly when the research is making segmentation and profiling demographics. The main aim of the quantitative method is to gather a larger number of respondents. (Bradley 2010, 264)

The qualitative method according to the same author is considered to be more of an “attitude method”. Bradley (2010) explains the method as an “understanding of attitudes and opinions” – which focuses on indicating the feelings and opinions of the respondents with tools such as discussions, interviews and observation rather than following number of responses. (Bradley 2010, 230)

The method chosen in this work is quantitative after careful revision of the research question and sub questions. The necessity of such a method was indicated after concluding that the number of respondents is more relevant to the results than a qualitative outcome. The quantitative method used in the work is providing a possibility to gather a larger number of responses from a larger number of people, and this will naturally generate more data. After gathering such data the possibility of more accurate research is increasing which is the main aim of the work.

4.3 Methodology

A questionnaire (Appendix 1.) was prepared and used for the purpose of gathering data. The questions were specially selected and asked mainly to find out the position of respondents and their knowledge regarding the research question. The questionnaire was made with the help of the software e-lomake which is provided by the University of VAMK.

The mentioned questionnaire was distributed within the school e-mail network to all the students in VAMK University. The questionnaire was sent to all the students in all degree programs since there was not any particular respondent profile or any requirements for answering. Social media was used as a connecting channel as well. The questionnaire was shared on the Facebook profile of the author for a period of one week. On both social media and in the school e-mail network, the respondents had a period of one week (from 07.10.2014 till 14.10.2014) to answer the questions.

Since the topic does not concern any particular group of people there was not any goal in the number of responses. However, in order to create some pattern of the respondents the author was forecasting around 200 responses as a sufficient outcome. The main objective was to receive as many respondents as to be able to create an overview of the most important characteristics regarding the research and a stable pattern of outline characteristics. The final number of respondents after sharing on social media and group e-mail accounted to 149 people which may be considered a sufficient number for the purpose of the research.

5 RESULTS OF THE EMPIRICAL STUDY

This section will present the results and findings of the research, which is derived into four main points.

Firstly, demographic segmentation of all the respondents will be presented which will help to determine some characteristics of the audience. This kind of information helps the research to identify the respondent's base better, extract more accurate data and familiarize the readers with the audience.

The second point is divided into two parts familiarity and loyalty. Familiarity means the knowledge of the respondents with the two main subjects in the research namely, green marketing and green washing. These results are very important in order to understand the ability of the audience to distinguish between the two counterparts and understand the level of knowledge of the subjects.

Loyalty on the other hand, will show the attitude of the respondents towards companies which are practicing green strategy and green washing. However, the loyalty and familiarity results will not be connected. Loyalty will aim at finding opinions, regardless of level of familiarity for the subjects. These results will show if the audience's loyalty will be influenced by green strategy.

The third point will divide the respondents into green consumers according to their answers and suggest possible green-user profiling. In case the results show that there are profiles, examples for their segmentation will be provided.

The last point will be analyzing the performance of the case company according to the customers. The performance analysis will be studied in the following sectors: length of being a customer and its connection with the company's familiarity, the familiarity of the customers with the eco-causes supported by the company, media success of the company and overall performance according the customers.

5.1 Demographic segmentation

Due to the nature of the thesis a big part of interest is found in the segmentation of the respondents. This way a detailed picture of the audience and data can be established. The main purpose of this part will be to segment the respondents and show them as a variation of several groups labeled by demographic factors. Such demographic factors will be considered to be gender, age and occupation.

First and foremost in Figure 5 the respondent's gender variety will be presented along with their mother tongue. After collecting all 149 answers the statistics shows that there are 58 male and 91 female respondents. They are divided according to their mother tongues as follows: 58 males out of which 26 are Finnish, 29 other and 3 Swedish. The 91 female respondents answered as follows: 56 are Finnish, 21 other and 14 Swedish.

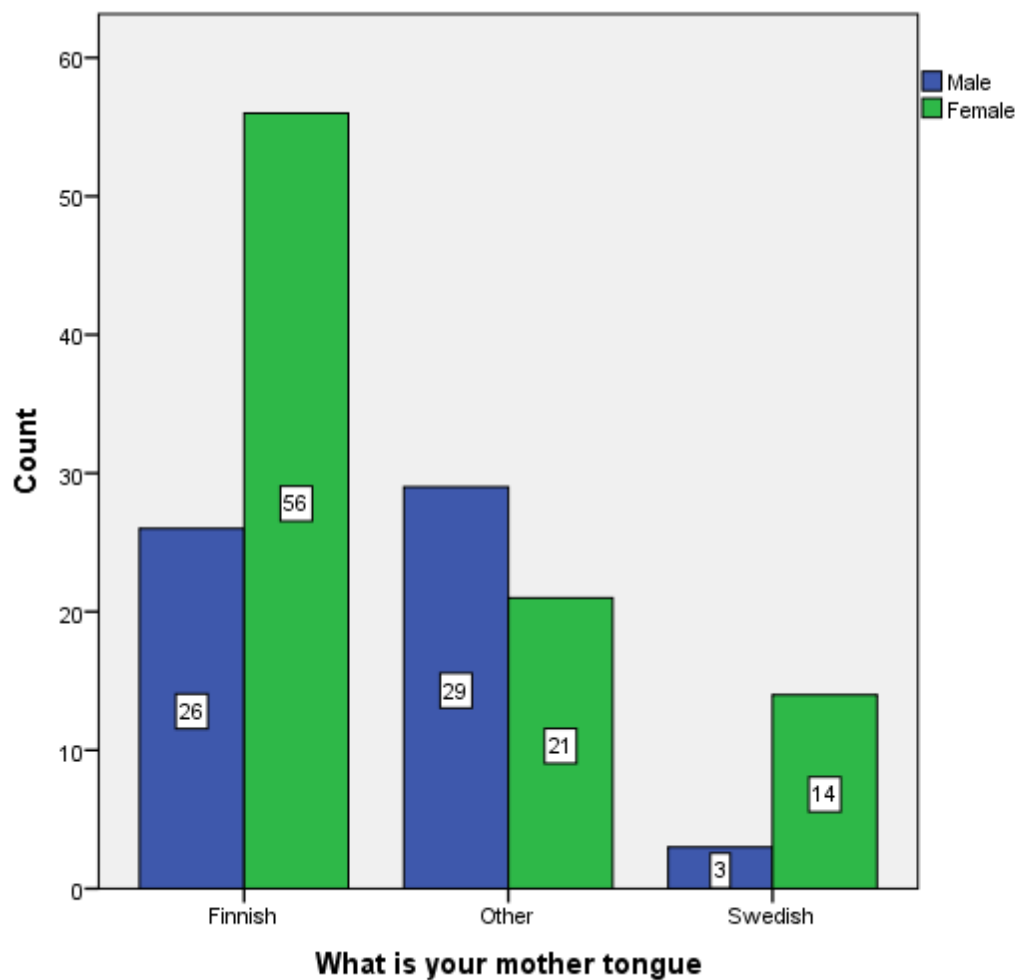


Figure 5. Gender and mother tongue of the respondents

The second question is asking the respondents to select their age group. The categories with possible answers were 18-24, 25-35, 36-50, and 50+. Since the vast audience of the questionnaire was university students the expected age was to be above 18 and less in the range of 36-50 and 50+. The interest in the ages of the respondents can be related to whether there is a certain pattern between familiarity with green marketing and green washing and the age of the respondents.

Figure 6 presents the data which was divided as follows: The first category: 18-24, 90 respondents, the second category: 25-35, 45 respondents, the third category: 36- 50, 9 respondents and the fourth category: 50+ with only 5 respondents. As mentioned above the vast audience for answering the questionnaire was university students so these results were expected.

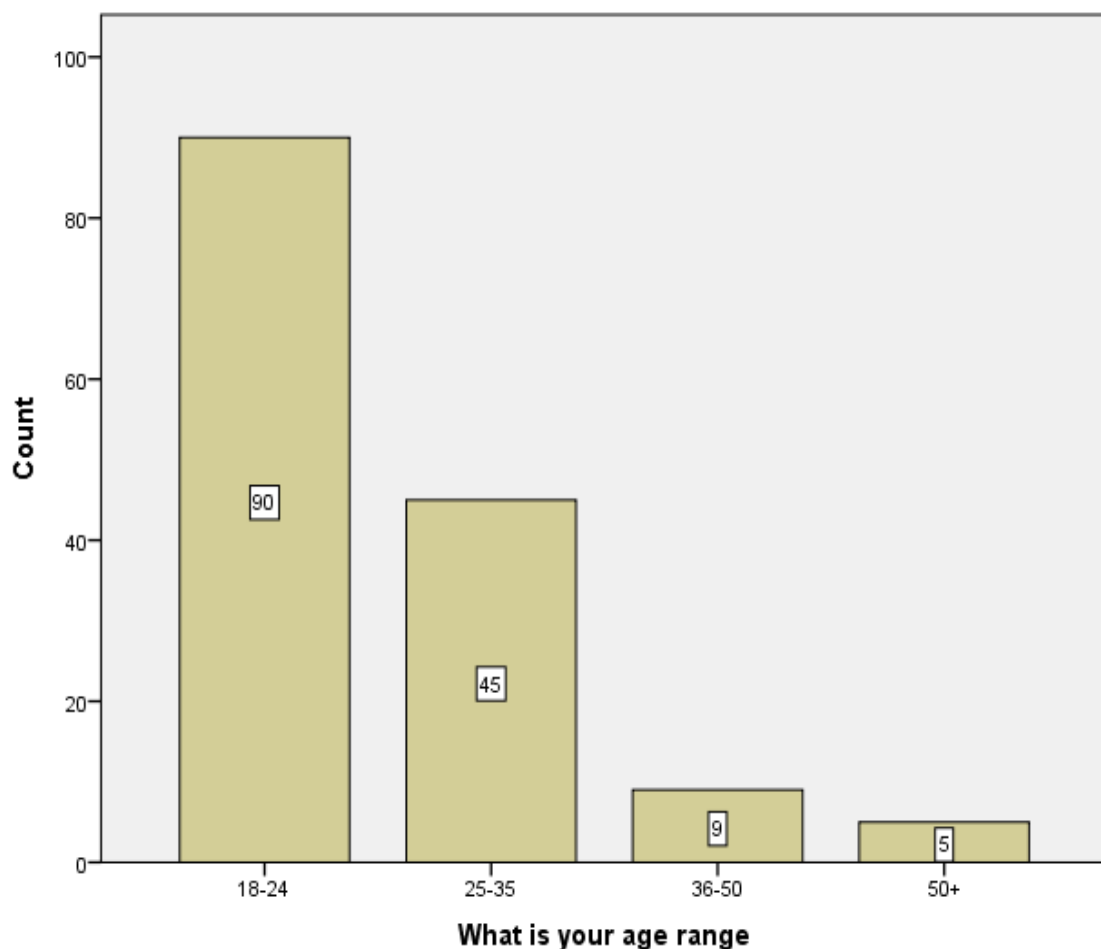


Figure 6. Age of the respondents

The occupation is an important detail in a respondent's profile due to the information it gives. This question gives researchers and marketers a better knowledge of their customers. They can focus their strategy on the target groups and even enhance the existing strategies.

Figure 7 presents the results of the question for the occupation of the respondents. As expected the majority of the respondents, 127, marked their occupation as a Student, followed by Full-time employee with 12 answers, Part-time employee with 8 and just 2 were Unemployed.

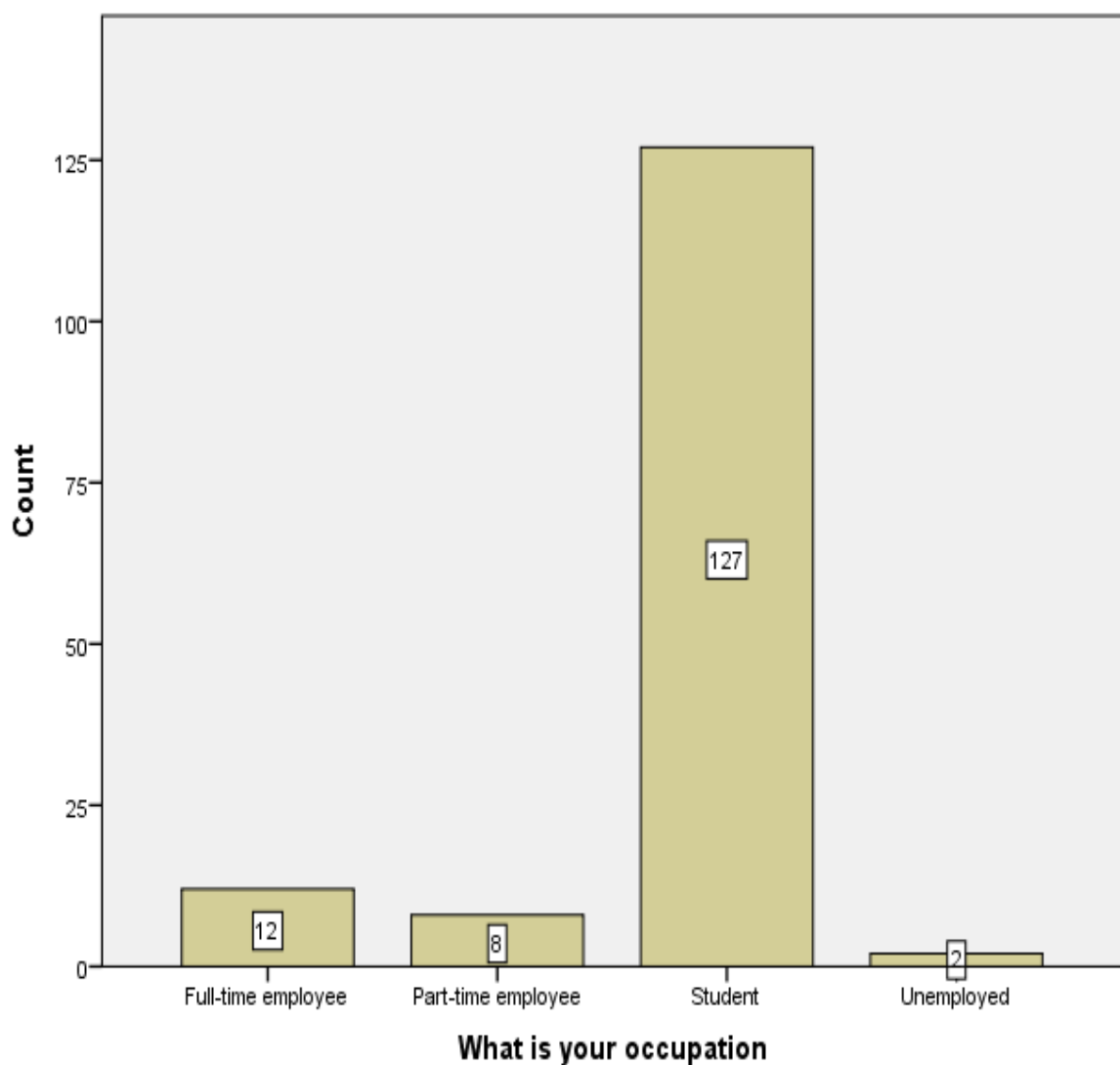


Figure 7. Occupation of the respondents

5.2 Familiarity

Figure 8 shows the answers of “How familiar are you with Green Marketing?” The possibility “Not so familiar” with 77 responses suggests immediately that the respondent have some knowledge of green marketing, but it is a rather unfamiliar field for them. The option “Unfamiliar” was chosen by 33 respondents. The third option “Familiar” was chosen by 32 people showing that there is a part of the respondents which has knowledge of green marketing. Only 7 people chose “Very familiar”.

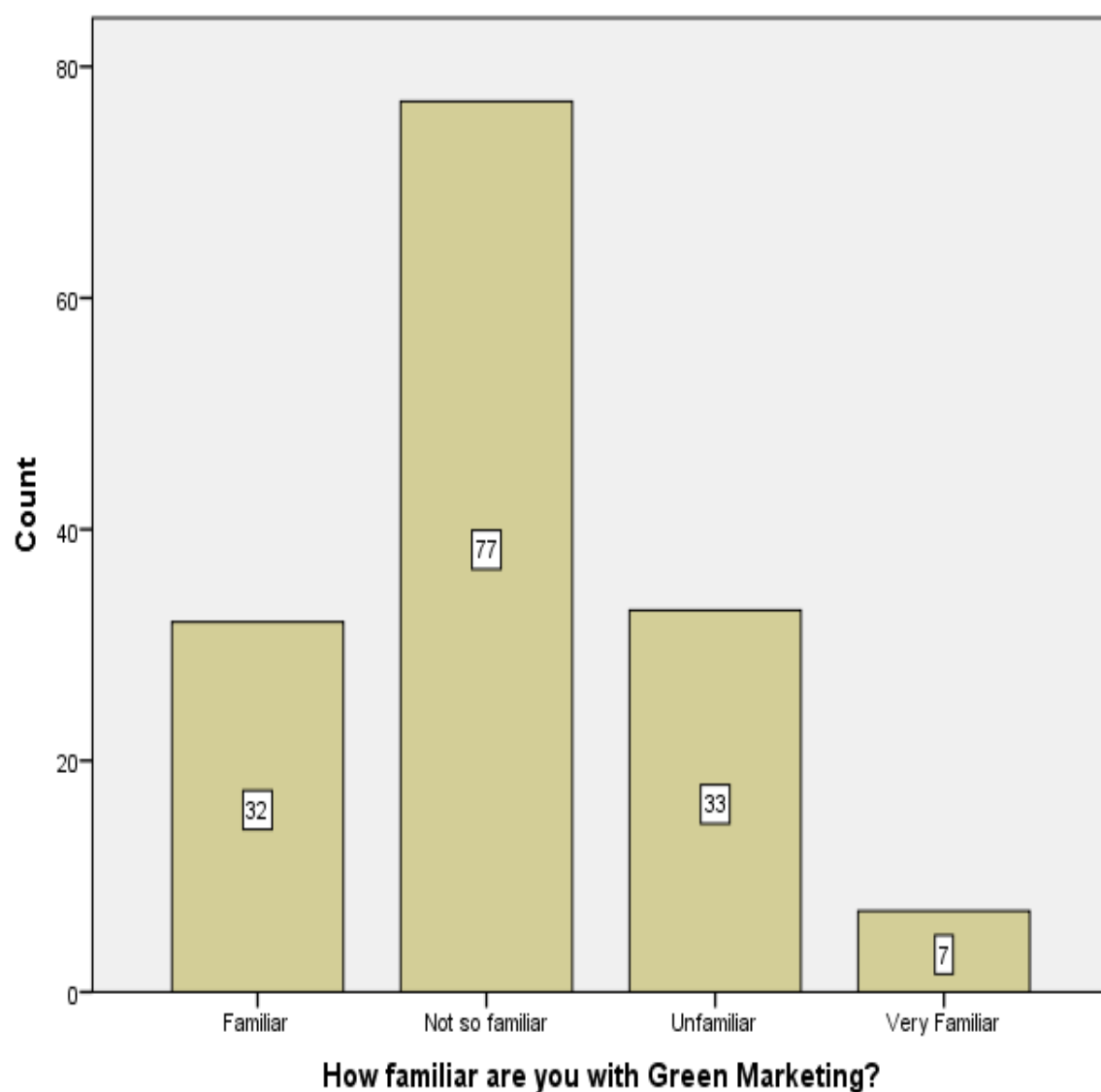


Figure 8. Familiarity with green marketing

In contrast to the Green Marketing question, the sixth question aims at finding how familiar with Greenwashing. The possible answers are as follows Very Familiar, Familiar, Not so familiar and Unfamiliar. Since the field of green washing is a relatively new topic the distribution of the answers was somehow forecasted. Figure 9 presents that 71 people answered “Unfamiliar”. This might suggest that greenwashing would need wider publicity. “Not so familiar” said 55 responses and indicates yet again some minor amount of familiarity with the subject. Familiar and Very Familiar with 19 and 4 responses are showing that despite the big numbers of unfamiliarity with green washing there is a group of respondents which has some knowledge about the subject.

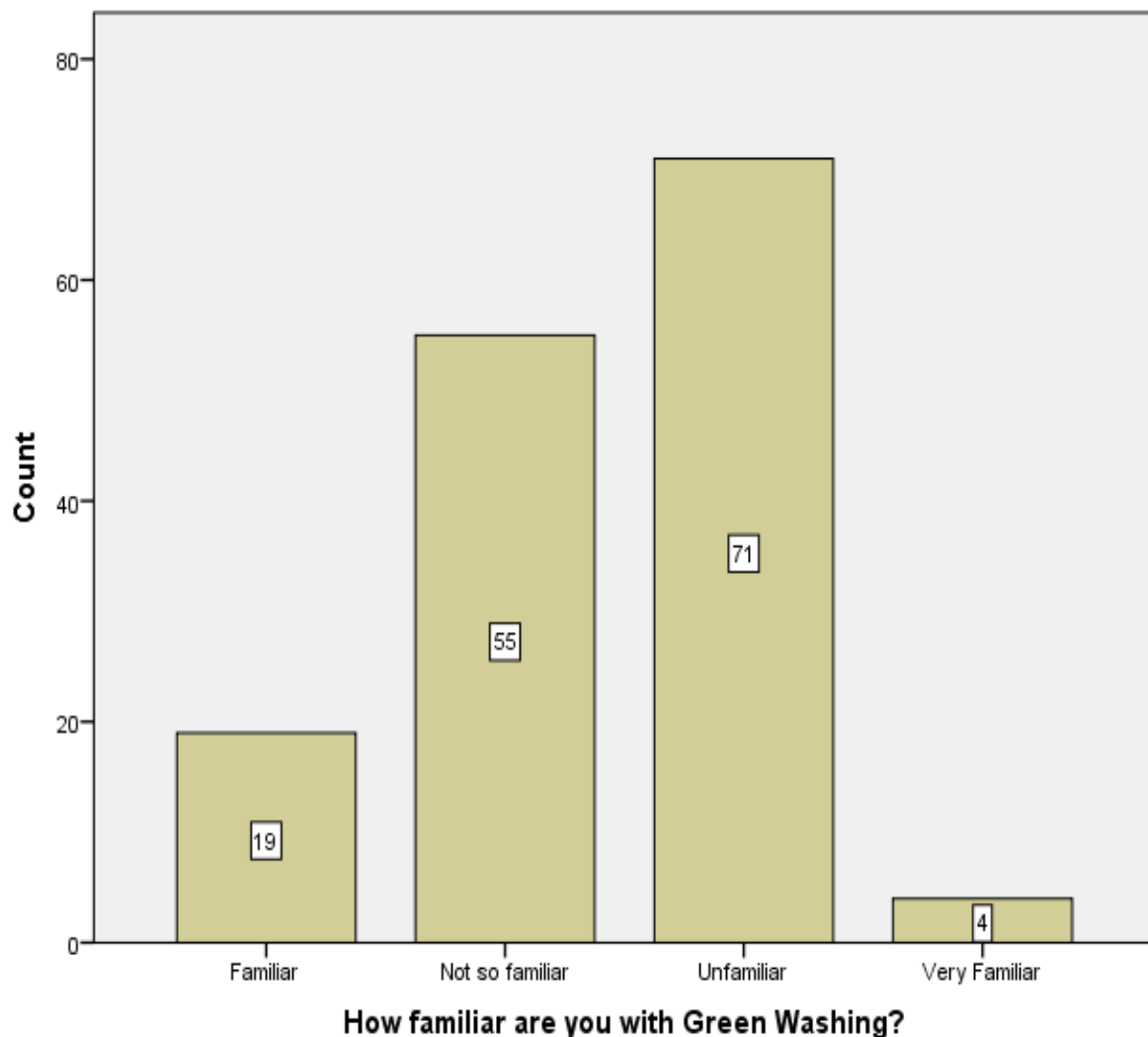


Figure 9. Familiarity with greenwashing

When comparing the results from Figure 8 and 9 one can see that the familiarity with the subjects is low among the respondents and if encountered with one of them there is a big possibility that the audience will not be able to make a difference. To strengthen the outcome of the familiarity issue the seventh question asked the respondents to indicate whether they have been engaged in green washing at some point in their lives. Figure 10 represents the answers collected from this question. The possible answers were Yes, Not sure, Not that I know of and No. The largest number of responses is in “Not that I know of” with 78 and “Not sure” with 32. This suggests that the respondents will not be able to recognize if they are to be engaged with greenwashing.

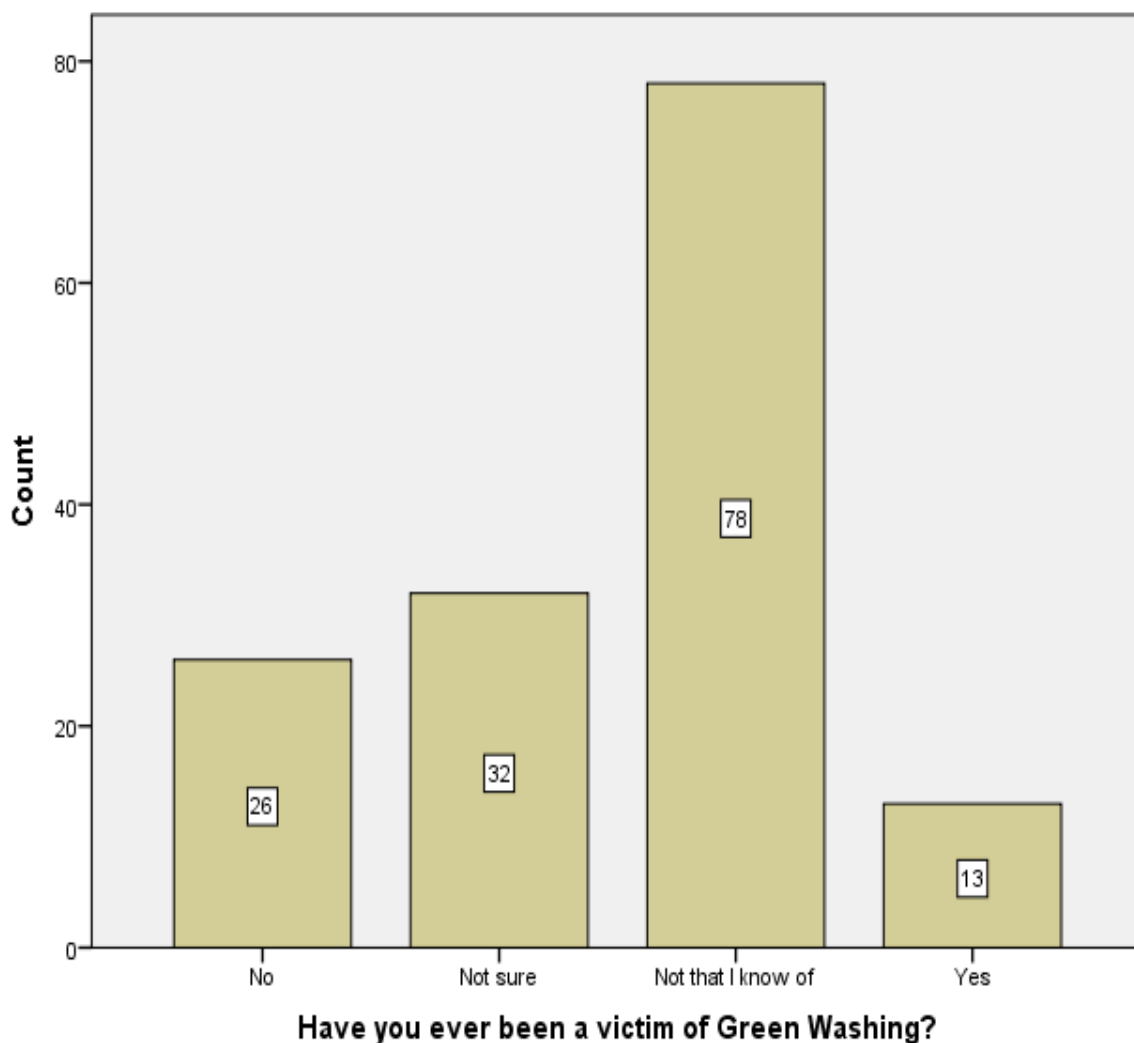


Figure 10. Engagement with greenwashing

5.3 Loyalty

The second part of this section aims to find some pattern if the loyalty of the customers is somehow influenced by using a green strategy, green washing and eco-causes in their strategy. Figure 11 shows results from the question “Do you think if engaged with green washing you will terminate any relation between you and the company?” This question aims at finding the perception the respondents have towards green washing despite the level of familiarity with the subject. There were 11 respondents who had no opinion on the matter. The equality between Agree and Disagree with 60 and 59 shows uncertainty in establishing any particular model in these answers but dividing two groups with opposite opinions. Strongly Agree and Strongly Disagree collected as follows 9 and 10.

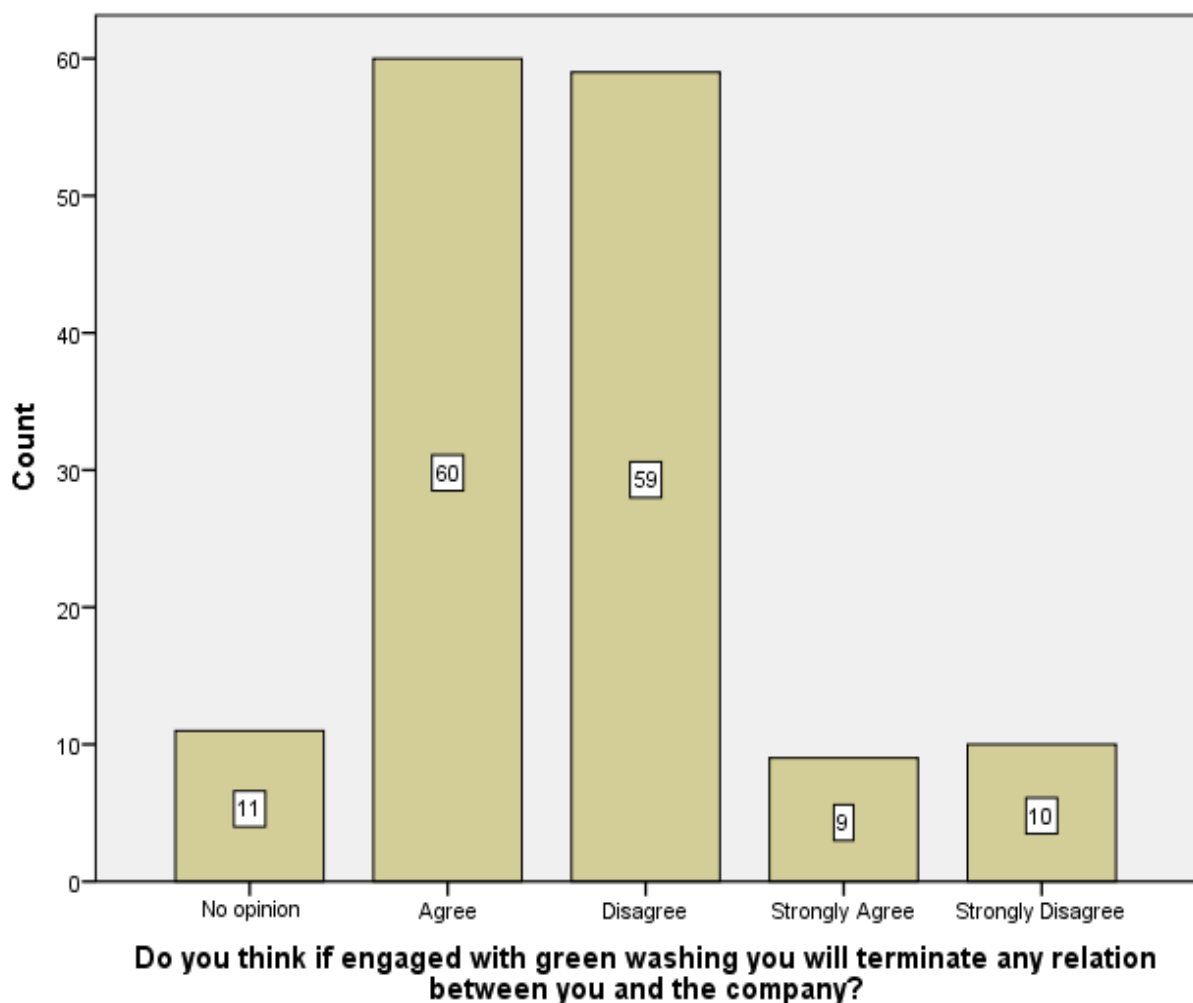


Figure 11. Loyalty to the company if engaged with green washing

Figure 12 presents the results from the 12th question which aims at finding the attitude of the respondents towards a green strategy practiced by a company and whether this will affect the company's credibility. The data shows a strong degree of agreement with the problem. 98 respondents marked "Agree" as a possibility and 35 "Strongly agree" when just 14 chose "Disagree" and 2 "Strongly disagree". The large number of respondents who agree indicates that they strongly believe that the credibility of the company would be improved if green marketing strategy is practiced.

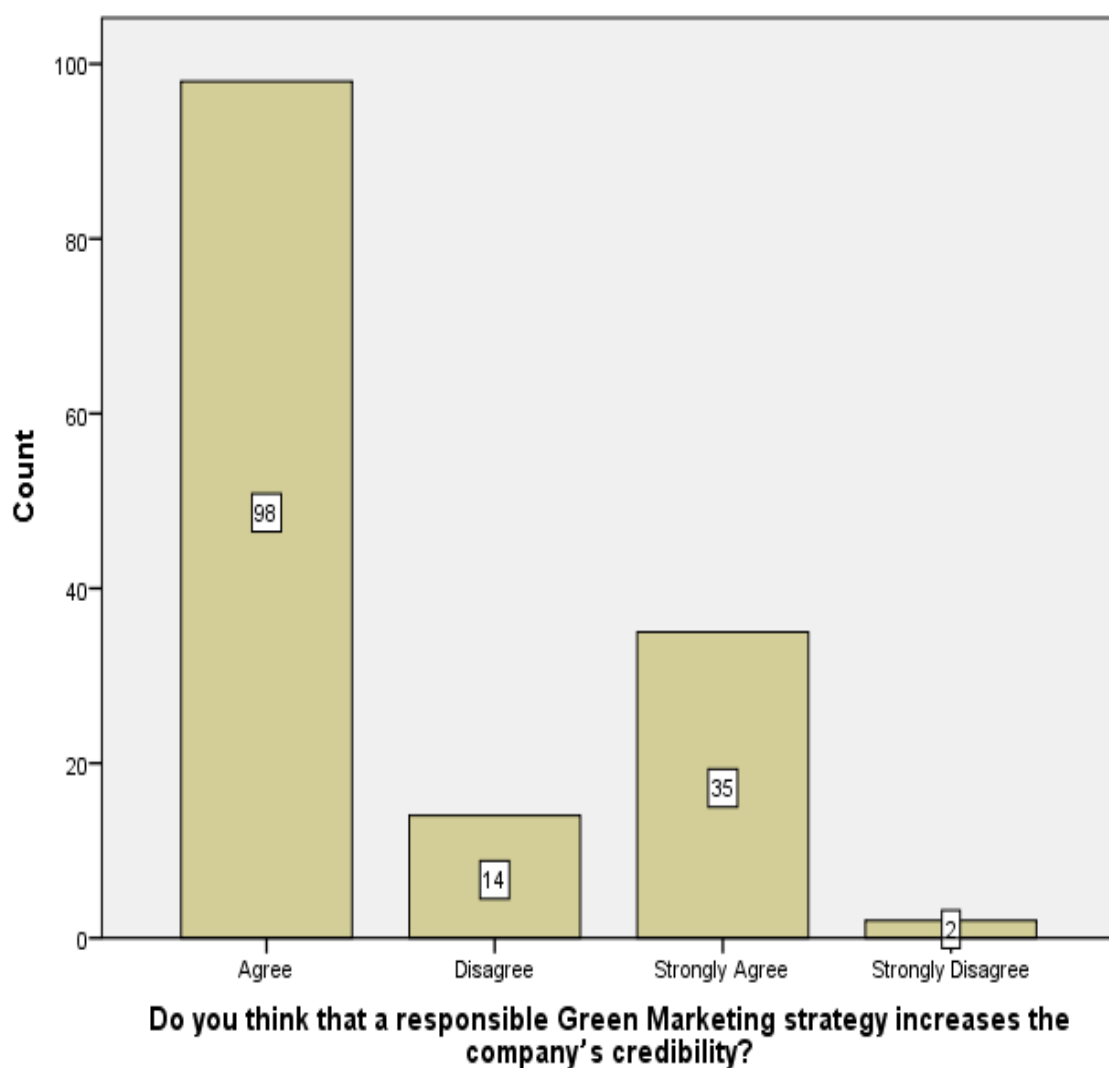


Figure 12. Green Marketing strategy and company's credibility

Another factor for establishing loyalty was considered to be the eco-causes a company practices in their green marketing strategy. The 13th question asked the respondents to choose whether the eco-causes would be a factor for their loyalty.

Figure 13 presents the data from this question. Once again the possible answers were Strongly Agree, Agree, Strongly Disagree and Disagree from which Agree gathered the most answers, 84 responses, disagree 38, strongly agree 20 and strongly disagree 7. The responses of Agree and Strongly Agree can be considered to create a very strong position for a loyalty shaping factor.

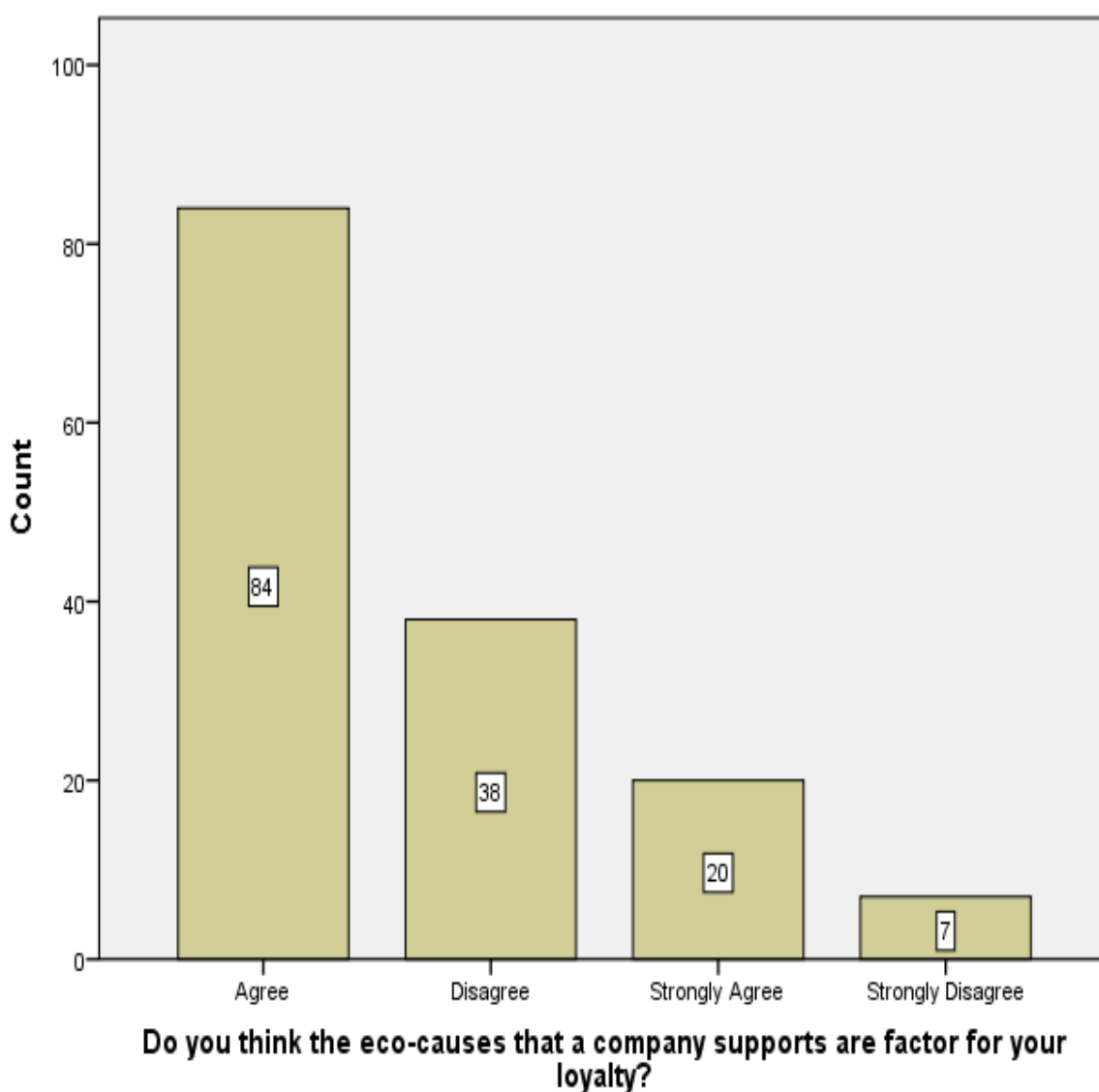


Figure 13. Eco-causes as a factor for the loyalty

An analysis of the results for both the familiarity and loyalty parts indicates that the respondents have a particular attitude towards green marketing, green washing, eco-causes and how their usage will increase the loyalty and credibility of a company. However, the knowledge of the respondents on both green marketing and green washing is very low which decreases the ability of the respondents to make difference between the two.

On the other hand, the loyalty section aimed at finding what the respondents think about the two subjects regardless of the familiarity section. This outcome will show till what degree the respondents recognize the damage done by green washing and what amount of benefit a green strategy will create for a company. The results showed that people have a strong position with green strategy, but yet they do not release the damage green washing inflicts.

5.4 Green respondent's profile

The research already estimated three main characteristics for the respondents of the questionnaire. First, the average profile is a Finnish female student between 18 and 24 years of age. Second, the data showed that the average degree of familiarity with green marketing is rather low familiarity with green washing is low among the respondents, and third, that the usage of a green strategy will affect the loyalty of the customers in a favorable for the company way. Since the study aims mainly at estimating what is the ability of the respondents to distinguish between the characteristics of green washing and green marketing it is especially important to know what kind of green users they are.

5.4.1 Self-Assessment

The statements analyzed in this paragraph aimed at finding self-assessment of the respondents according to their own opinion. The three prepared statements were as follows: "I consider myself a green-user", "I purchase green products" and "I participate in eco-causes". The possible responses were Strongly Agree, Agree, Disagree and Strongly Disagree for the first statement and Very Often, Often, Rarely and Not at all for the last two.

Figure 14 shows the answers to “I consider myself a green-user” in an attempt to better understand how much the respondents consider themselves as sustainable consumers. As shown the results are high in the “Agree” section, with 74 responses. The second majority of responses were collected in “Disagree” with 64 answers. Strongly Agree and Strongly Disagree collected respectively 5 and 6 responses.

This statement aims at finding the level to which the respondents find themselves green-users. The elements considered in this statement are all factors which are somehow connected to sustainable consumption and ecology. The following two questions were more detailed in order to create a more specific profile and narrow the characteristics of green-profiles among the respondents.

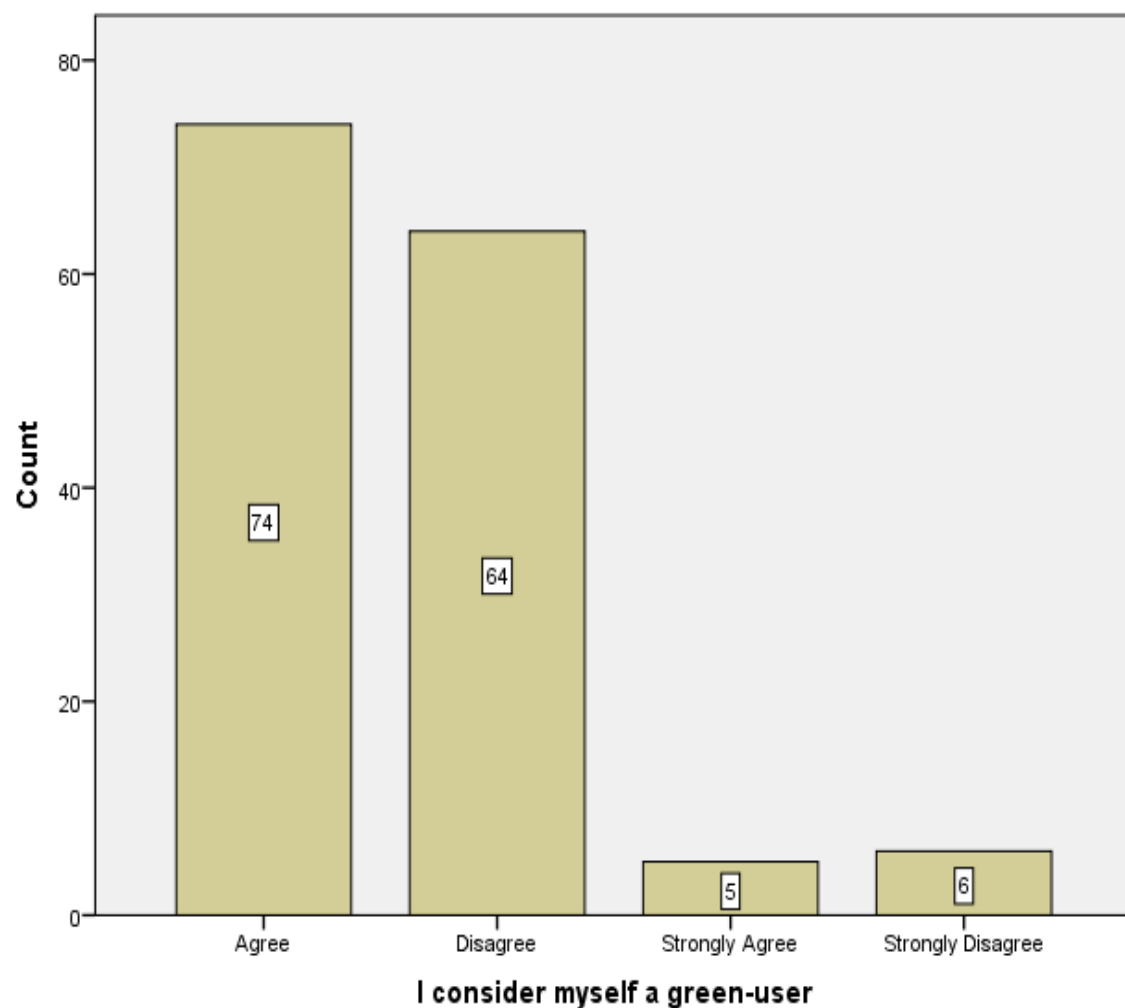


Figure 14. Self-Assessment:” I consider myself a green-user”

Figure 15 shows the results for the second statement which is “I purchase green products”. The figure shows that 62 respondents purchase green products “Often” and 63 responses in the “Rarely” category. The last two possibilities which are “Not at all” and “Very often” are as follows 16 and 8. The large number of positive responses in “Often” and “Rarely” is suggesting that a rather big part of the audience is somehow connected to green products and their usage whether they use or just purchase them. However, the results are indicating a big amount of green products purchasing which is very important for the work. This way there is a bigger possibility in understanding the preferences of the customers in eco information connected to the eco-products they purchase.

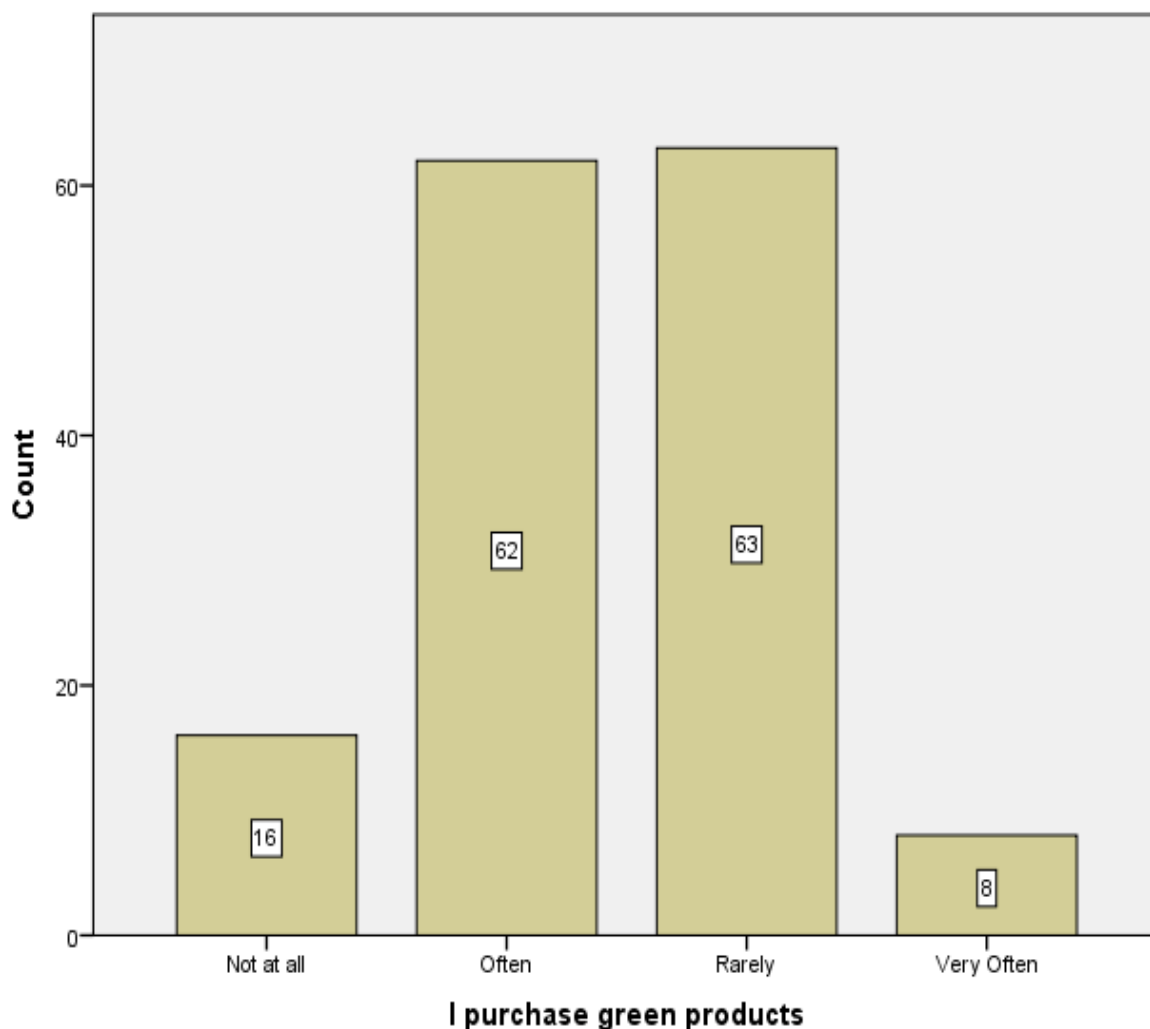


Figure 15. Self-Assessment: “I purchase green products”

The results from the third statement “I participate in eco-causes” are shown in Figure 16. The audience answered with a majority of 85 responses: “Rarely” while 21 answered “Often” and “Very often” received 7 responses. The category of “Not at all” collected 36 answers.

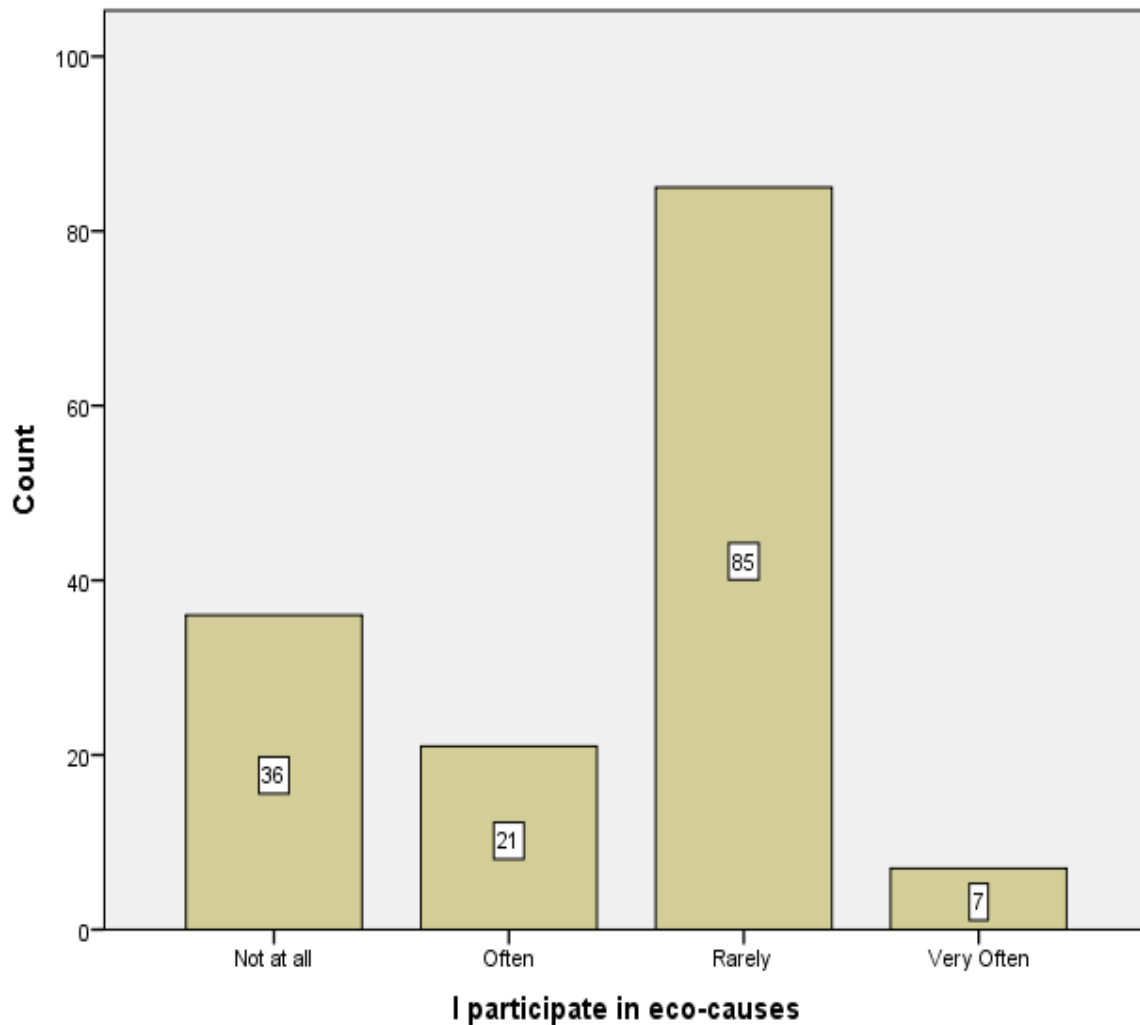


Figure 16. Self-Assessment: “I participate in eco-causes”

The results from the three statements show that green behavior and sustainable consumption is on average level according to the respondents. The estimated results have almost equal response rate in the categories of “Agree” and “Disagree”. This will suggest that a part of the respondents do not consider themselves as green users, they do not either purchase green products nor do they participate in eco-causes. However, there is a big part of the respondents which is regarding themselves as green-users and purchasing green products. The results

from the three statements can identify two green-user profiles. This suggested segmentation will be presented in the conclusions of this work.

5.4.2 Reasons for buying eco-products

The following paragraph will estimate the preferred categories of green products according to the respondents and reasons why they do and do not purchase them. Figure 17 shows the highest number of 72 responses in “Quality” while the second highest number is in “Lifestyle” with 42. “Lack of time” and “Price” collected respectively 6 and 13 responses. “No selection” was chosen by 16 people, which indicates that these people did not purchase any eco-products.

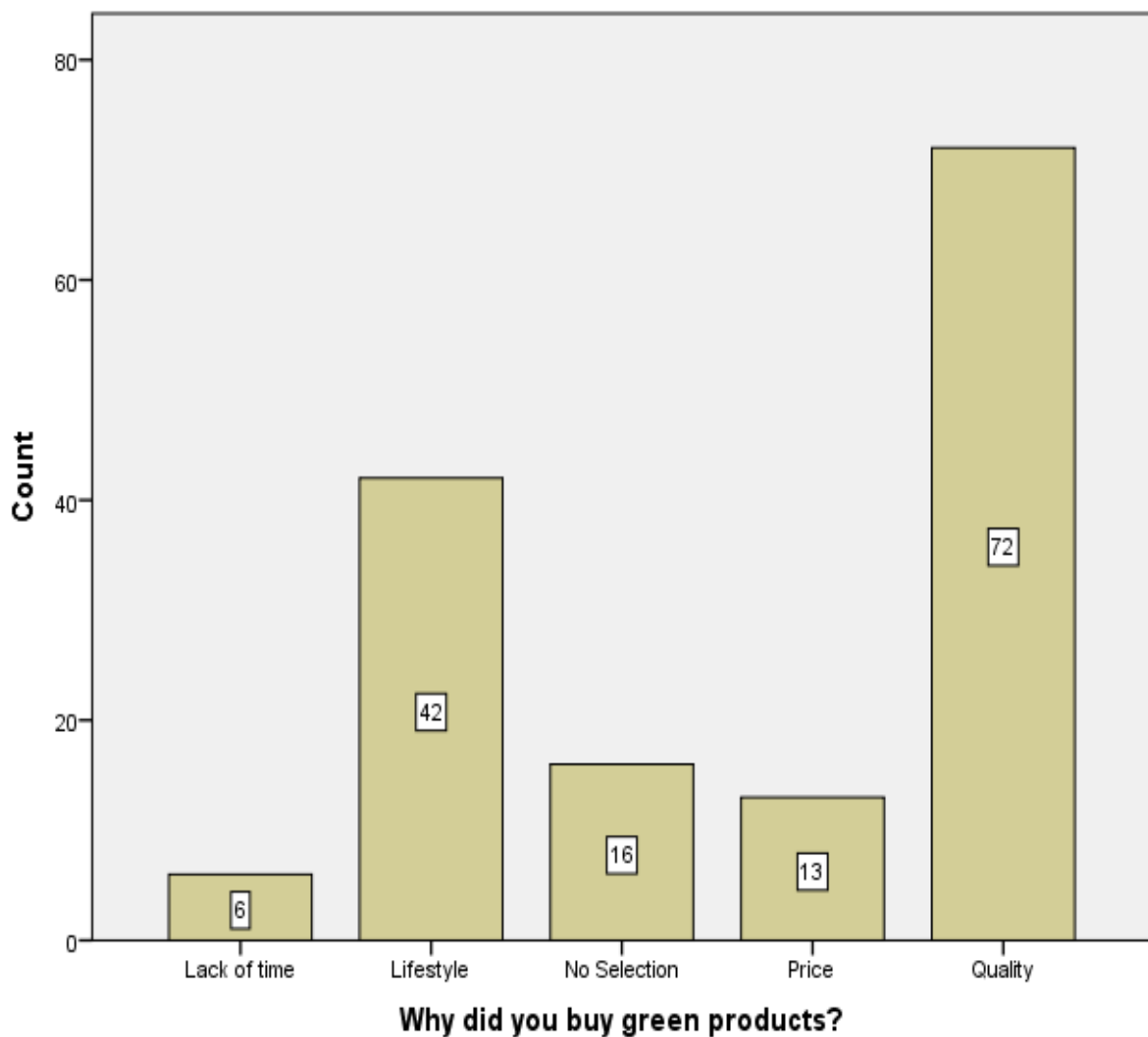


Figure 17. Reasons for buying eco-products

Furthermore in this paragraph will be presented the reasons why green-users do not buy green products. The possible answers were the same as in the “buying reasons” question. Figure 18 shows that since there are 133 respondents who bought green products “No Selection” has the equal amount of responses. The remaining responses are as follows Lack of time and Lifestyle with 4, Price with 2 and Quality with 6 responses.

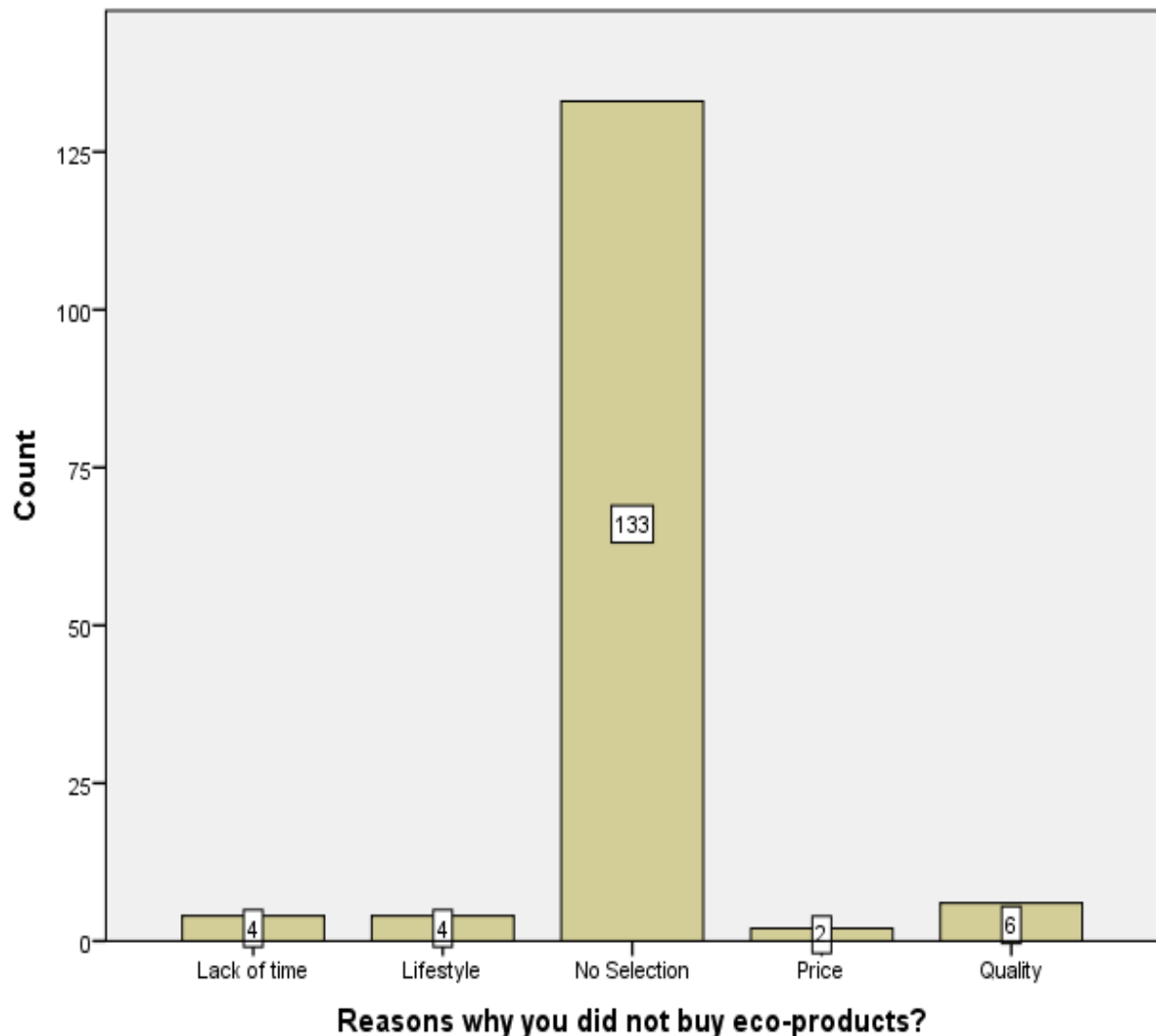


Figure 18. Reasons for not buying eco-products

5.4.3 Media usage

A very important factor for understanding the green-users will be to realize the preferences of media confidence among them. In this paragraph each possible answer from the question will be analyzed separately and a conclusion will be

drawn in the end. The possible grades to choose from were from 1 to 5 and 1 is Very Low and 5 is Very High.

Figure 19 shows the results from Media category. This category was considered to be general media (TV and radio). The largest number 46 answers, were collected in the Neutral section, which suggests that a large group of respondents do not have a particular position in this category. On the other hand, 36 respondents altogether chose “High” and “Very High”, whereas 51 chose “Low” and “Very Low” which indicates that the audience has a rather low confidence in General media.

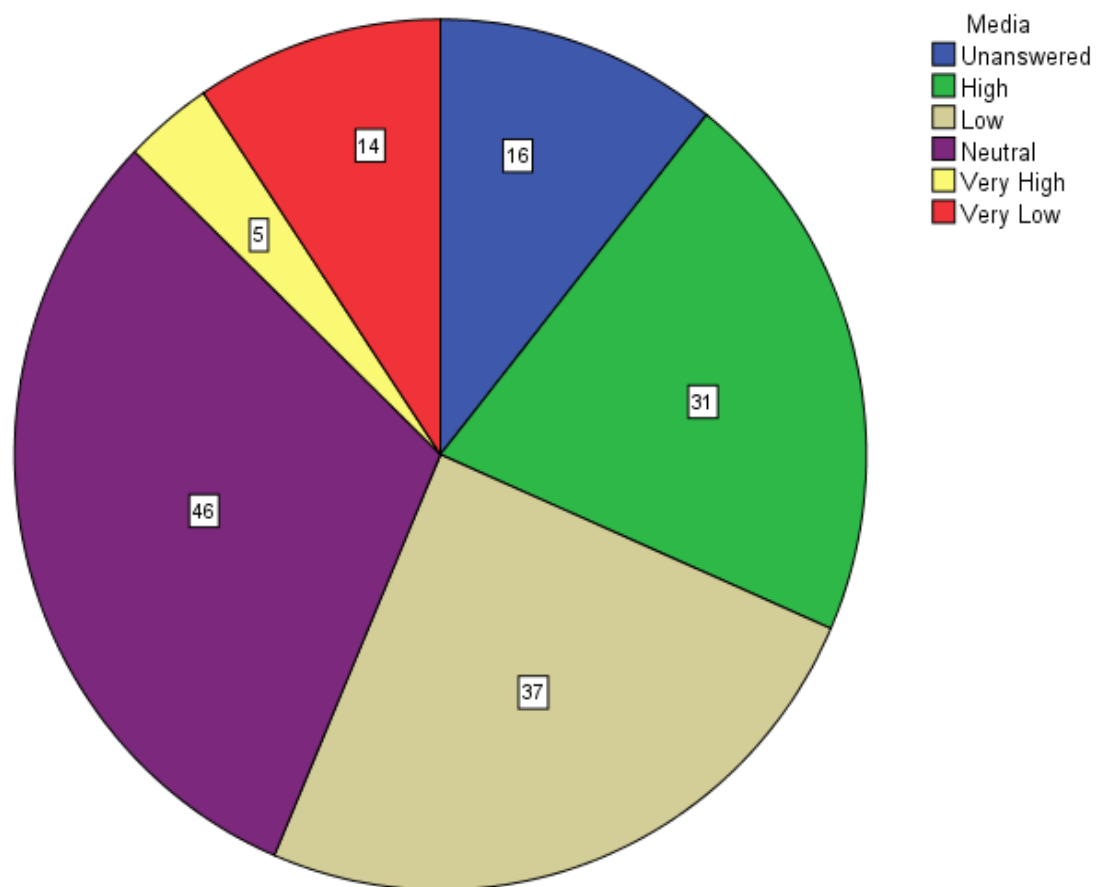


Figure 19. General Media

The next possibility was the category of Blogs. The results shown in Figure 20 indicate that the largest number of answers was collected in the Neutral section. Low and Very Low accounted for 46 responses. Compared with the High and Very high possibilities, which collected 47 answers, there are two groups of respondents which create controversy in the Blogs category. It can be seen that results show two groups of green users having different opinions for the usage of this media tool. However, the uncertainty of the respondents in trusting controlled channels is understandable and predicted since general media and blogs are controlled and the information flow in them can be adjusted in favor of the marketers and companies. On the other hand there are different types of blogs. The first type is created by independent people and the second type by employees of companies.

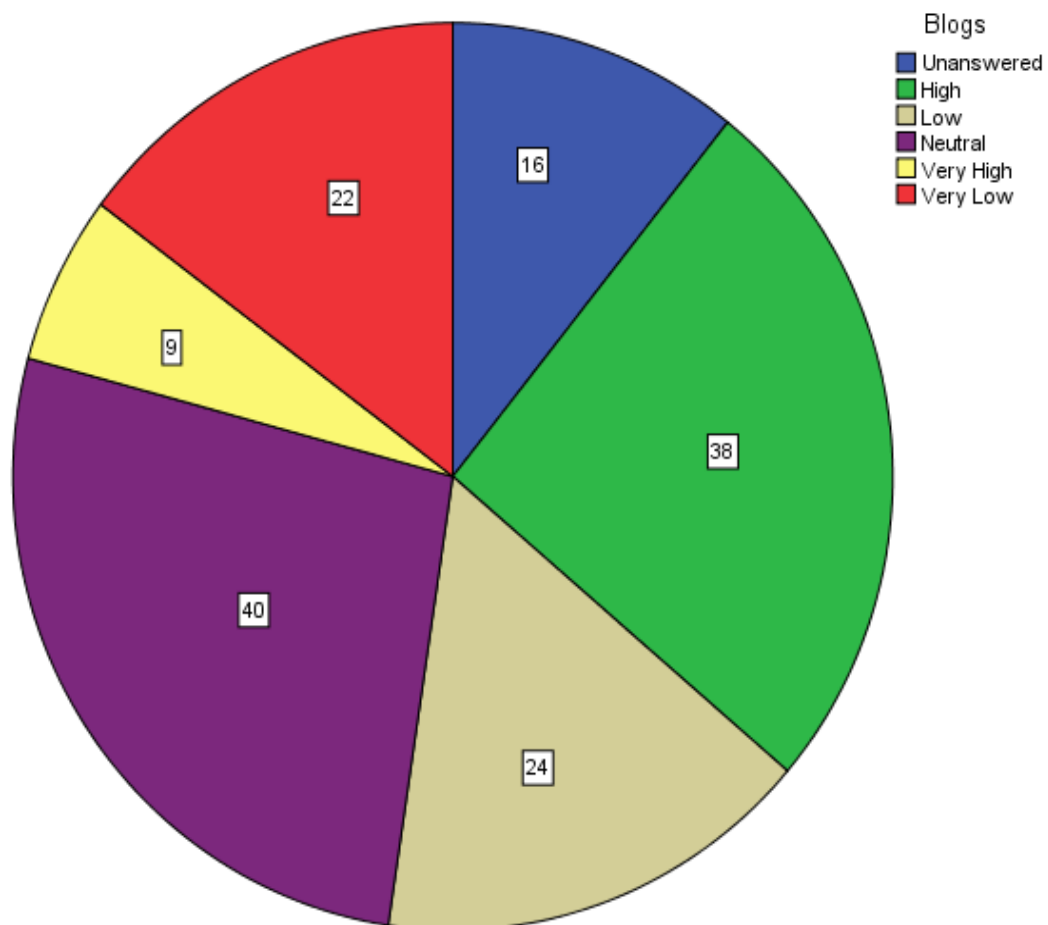


Figure 20. Blogs

The third category, Social Media, showed relatively equal opinions among the green-users. As seen in Figure 21 high and very high accounted for 43 and Low and Very Low for 45 responses. This equality shows again that there is a clear division between the green users. This division can suggest of course an opportunity for using social media as a platform for marketing green products till some extend. “Neutral” collected 45 votes which showed uncertainty in the confidence of social media as information distributor.

As mentioned above the low results of trust in general media and blogs can be seen in the fact that these two channels are controllable. The information provided in them can be manipulated. One theory for the Neutral result of Social Media can be that the respondents believe that in this channel the information comes from customers like themselves rather than from employees of the company.

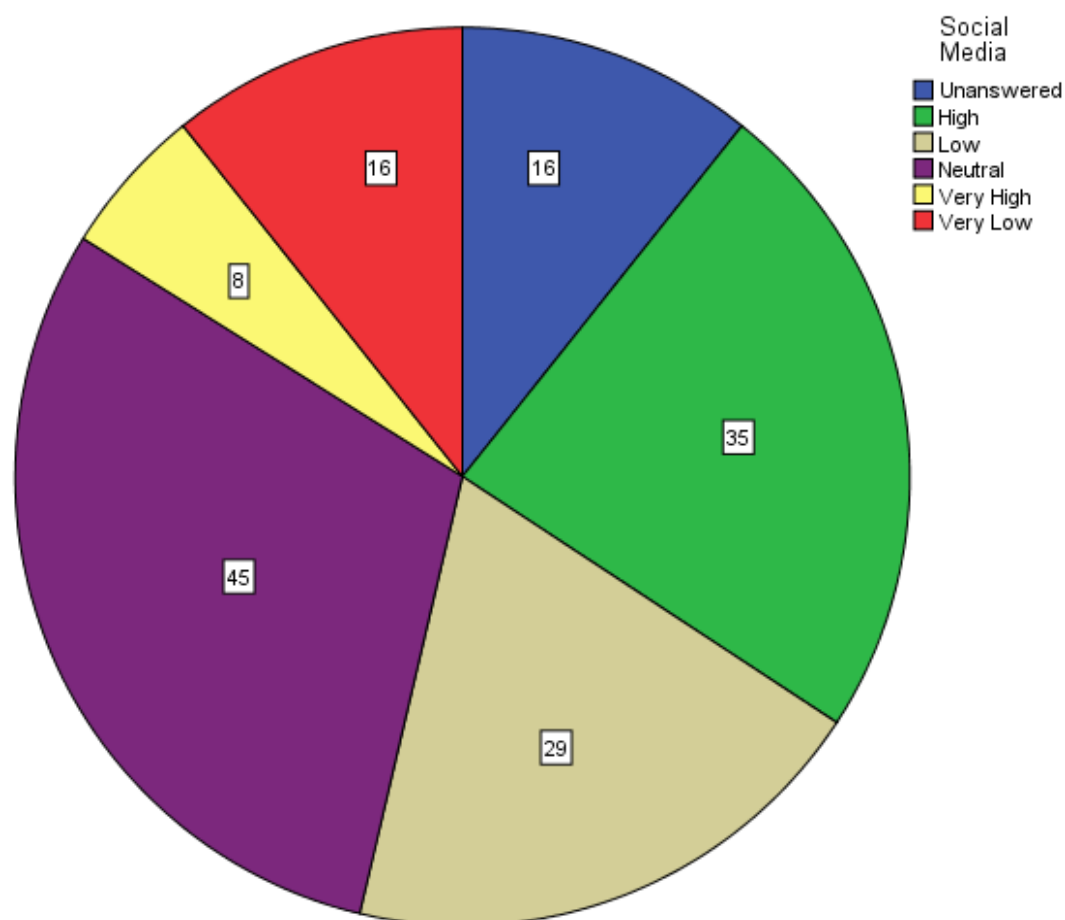


Figure 21. Social Media

In contrast to the previous categories which were relatively equal, friends and peers is with a rather high degree of confidence among the respondents. Figure 22 shows the collected answers in “High” and Very high were 81 which account for the second highest result in the confidence level of media tools. The Low and Very low possibilities collected 20 answers which show that there is a high confidence level in this category and that this field of communication can be used with bigger success among green-users. Neutral accounted for 31 answers.

This section naturally ranked the highest amount of positive responses due to the fact that the respondents tend to trust most in friends and peers. In overall the outcome of all the media channels shows that word of mouth or information gathered from peers is among the most reliable sources for the audiences.

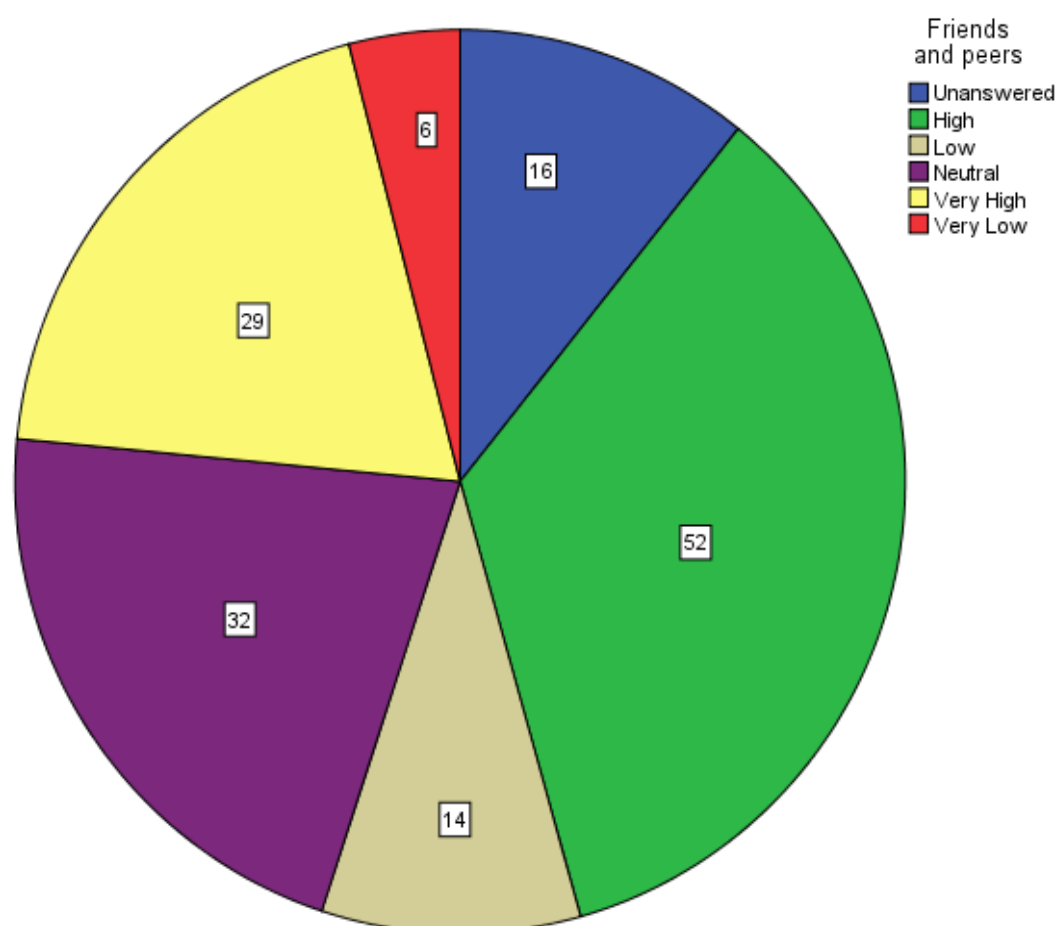


Figure 22. Friends and peers

Figure 23 shows that the highest number of positive responses was collected in Research. As Figure 23 shows the respondents collected 85 responses in High and Very high altogether and just 26 in Low and Very Low. This data shows that green-users prefer to research themselves information on green products they buy. This result in “Research” can be explained as the absence of media manipulation is a rather influential factor for the audience.

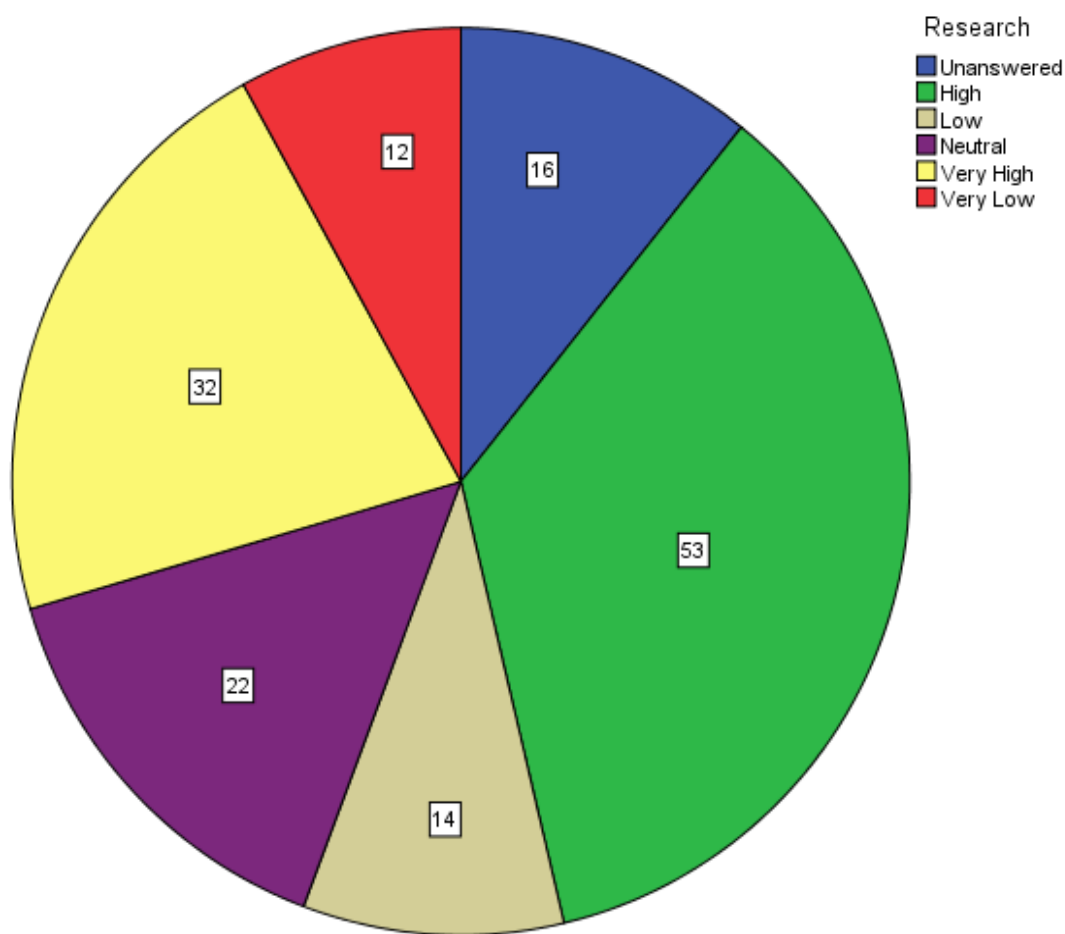


Figure 23. Research

In conclusion, the results from the media success show two main outcomes. First, the audiences have particularly strong confidence in Research and Friends and peers. A second outcome is found in the amount of “Neutral” answers which were collected from all categories. These answers are giving a notion that there is a big group of people without a specific position for the media channel they use. This

will suggest a possibility for companies to increase the level of confidence and use these channels in a favorable way.

5.5 Case company performance

In the following section a description of the case company's performance will be introduced. This analysis aims at creating an overall understanding on how the customer part of the respondents perceives the company's green performance and strategy. The following issues will be researched in this part: general description of the customer base and average customer profile, satisfaction and preferences in media tools for gathering information on the company's performance and eco-causes and overall opinion of the company's green performance according to the respondents.

The questionnaire was divided into two parts as the first part was evaluating the opinion and familiarity on green marketing and green washing of the respondents. The second part evaluates opinions of the case company's customers only. The first step in analyzing this section will be to measure how many respondents of the total questionnaire responses are customers of the company and possibly give some general overview of an average profile.

The questionnaire was developed in a way that if there are people who are not customers of the company and stop answering after the first part, their answers will be marked as "Unanswered". These marks accounted for 34 and will be in the Figures under the label "Unanswered".

The data shows that 115 respondents out of 149 are customers of the company. These 115 customers are divided as follows 43 Male and 72 Female. Furthermore, divided into age groups the respondents are as follows: 18-24 with 68 responses, 25-35 with 36 responses, 36-50 with 7 responses and 50+ with 4.

The mother tongue section can be divided in the following results "Finnish" with 65, "Swedish" with 11 and "Other" with 18. And as a last characteristic the data in the occupation sector will be analyzed. The first possibility which was Student

accounts for 96 respondents, Part-time employee accounts for 8, Full-time employee 9 and Unemployed accounts for 2 responses.

From the description of the data can be concluded that the average customer-respondent in this work is a female Finnish student in the age group of 18-24. Since the average respondent profile was concluded in the demographic section as Finnish female student in the age group of 18-24 years of age it is obvious that the profiles will match within the “customers of the company” section.

5.5.1 Length of relationship

Another important factor for the performance of the case company will be to establish if there is a connection between familiarity with the company among the customers and duration of being a customer. These findings will be indicated in the results from the questions “How familiar are you with the company?” and “How long have you been a customer of the company?” The main purpose of this paragraph is to establish whether customers are more familiar with the company because of the amount of time being a customer to the company or there is no connection between the two elements.

As Figure 24 shows, the respondents had several possibilities for answering the two questions. The question which seeks their familiarity gives the following opportunities: Very Familiar, Familiar, Not so familiar and Not at all. The length of the relationship on the other hand gives the following possible answers: Less than a year, More than a year, More than two years, More than three years. From the results can be concluded that people who answered familiar and very familiar with respectively 33 and 31 responses are also in the category of being customers more than three years. The other two possible answers “Not so familiar” and “Not at all” give the impression that as lower the time a respondent have been customers as lower is their familiarity with the company.

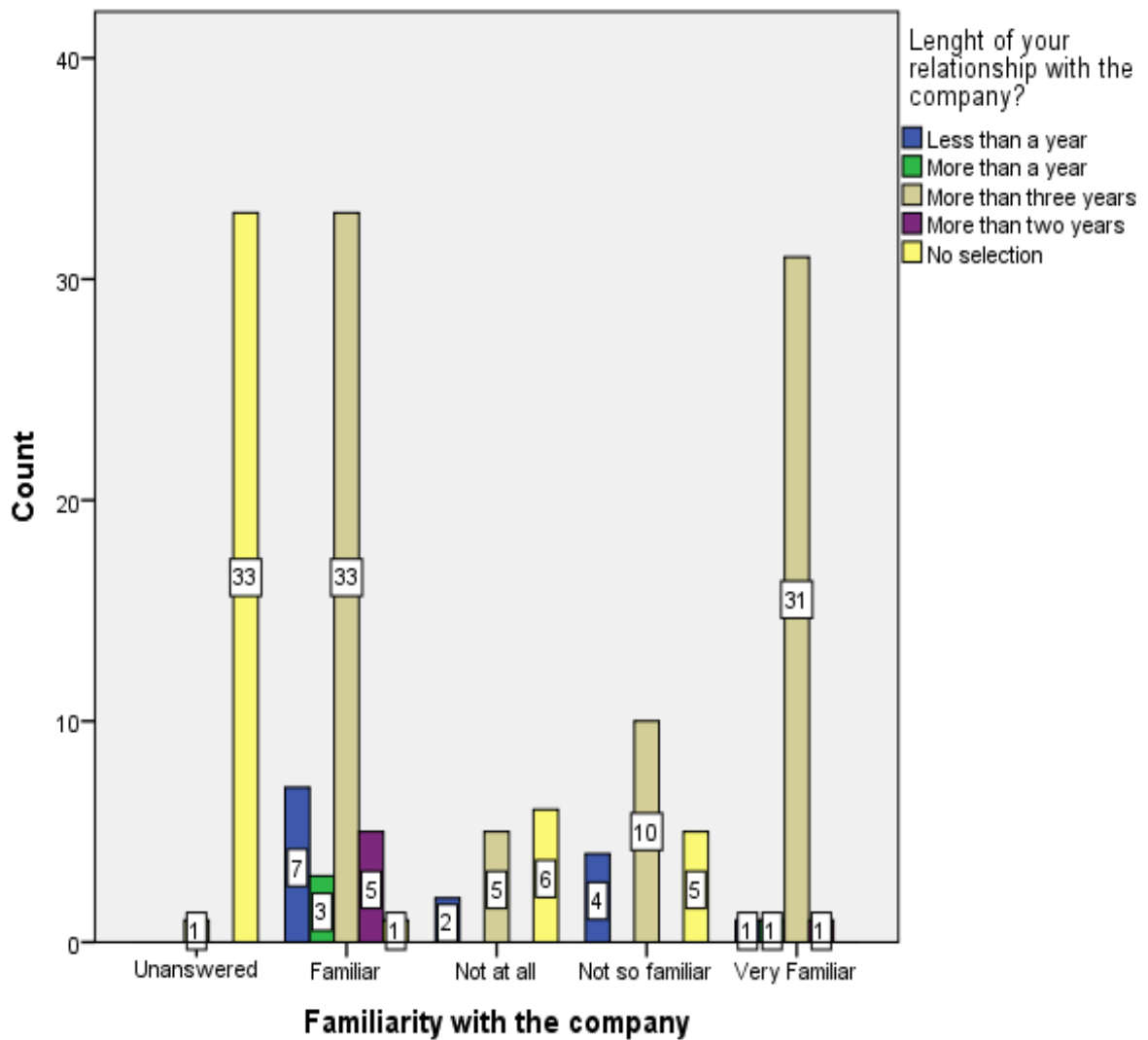


Figure 24. Familiarity with the company and length of being a customer

5.5.2 Familiarity with eco-causes

One of the most important fields for a company is communication and relations with customers. The importance of the media success is crucial for the performance of a company and the following section will analyze performance of customer communication of the case company based on the answers of their customers. This analysis will aim at finding a result from the following two questions: “How satisfied are you with the information about products and their connection to eco-causes?” and “How many of the causes that “Karl Fazer OY” supports are you familiar with?”

Figure 25 presents the results from the question regarding the satisfaction of the connection between the products and eco-causes. The aim of these results is to show how satisfied the customers are with the information they receive. The possible answers were Very Satisfied, Satisfied, Neutral, Not so satisfied and Not at all. The major amount of responses which was 77 was collected in Neutral and this suggests that most of the time when a product is purchased by a customer there is a mediocre amount of information on connection between this product and the eco-cause it supports. “Not so satisfied” and “Not at all” collected an equal number of 12 responses each indicating that there is a group of customers which needs improvement by the company. “Very satisfied” collected 3 responses.

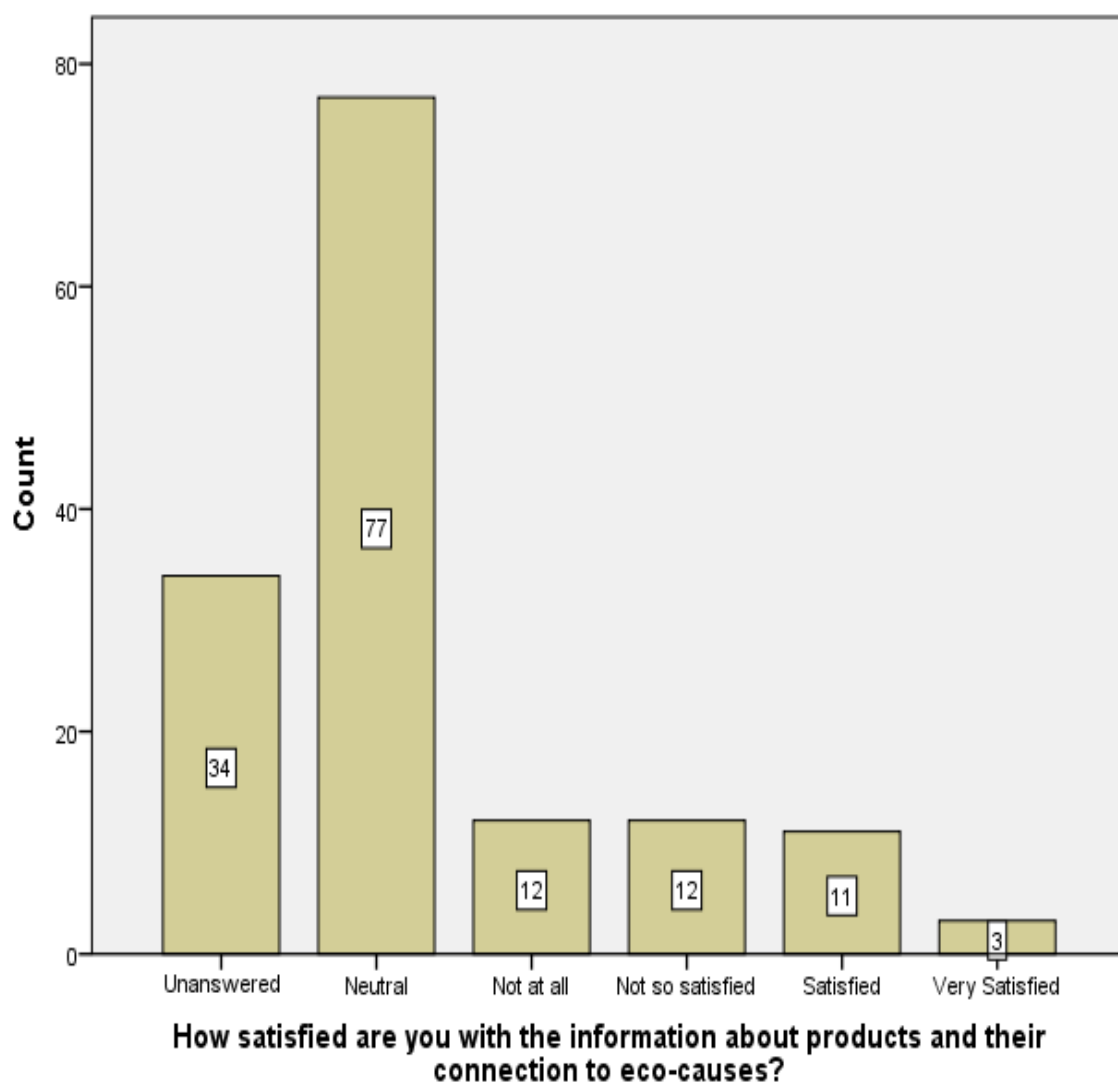


Figure 25. Information on the connection products and eco-causes

Furthermore, this analysis will research the familiarity of the company's eco-causes among the customers. Figure 13 showed that the majority of the respondents agree that eco-causes the company supports are an important factor for their loyalty as customers.

Figure 26 presents the respondents who answered to the question "How many of the causes that "Karl Fazer OY" supports are you familiar with?" The possible answers to this question were as follows 0, 1, 2, 3 or all 4 eco-causes of the company. The biggest amount of answers with 81 was collected in the "0" category. 16 respondents know "1" of the eco-causes, while 9 people answered with "2". The last two answers which are "3" and "4" were answered with respectively 3 and 6 responses. These results are showing very low levels of familiarity with the company's eco-causes from the customers.

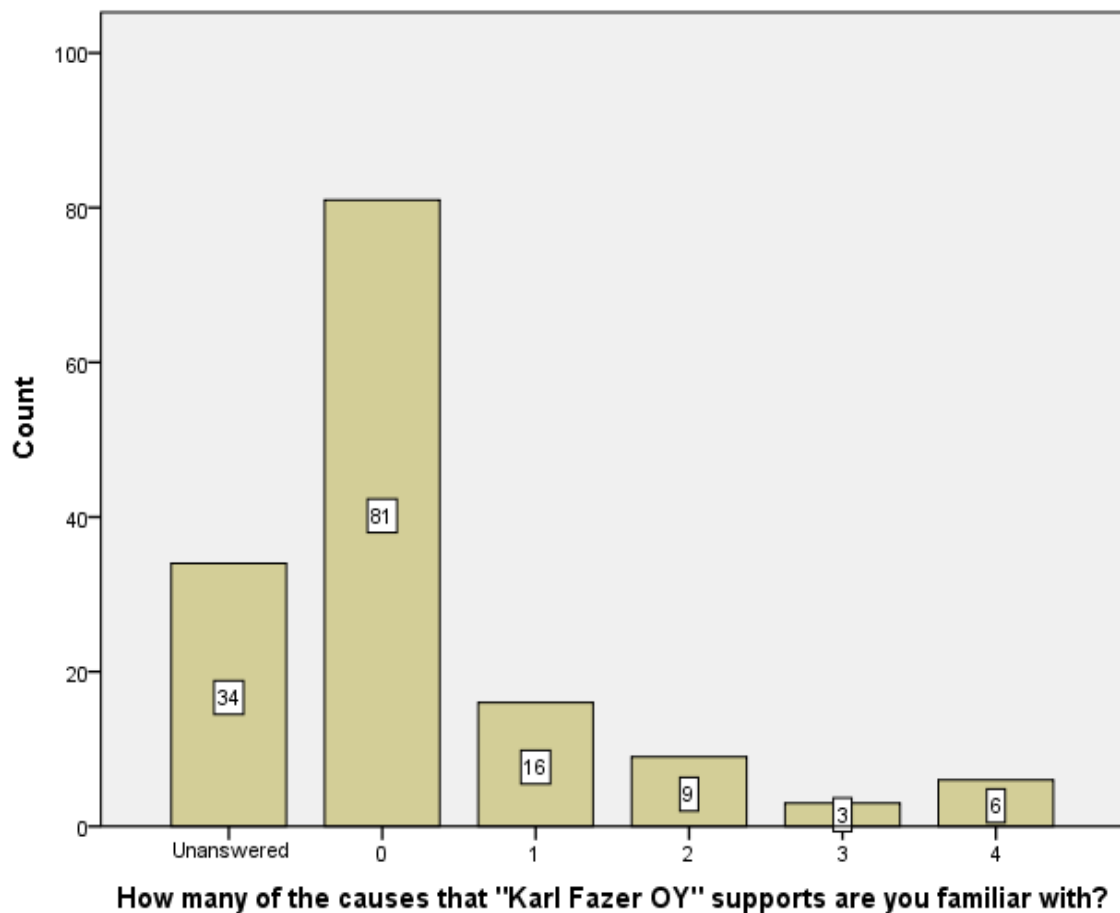


Figure 26. Information on eco-causes by customers

5.5.3 Media success

In the following paragraphs the research will present results of mostly preferred media tools among customers. The outcome of this section can help in identifying weak and strong points in the media coverage of the company.

Figure 27 shows the results for the answer Media. This possibility included all the general media tools (e.g. TV and radio). The results show that big part of the customers has low preference towards general media. As shown low and very low are as follows, 21 and 31, which accounts for the majority of the responses. On the other hand, there is a group of respondents which rely on the general media as a tool for information and their number in High is 28 and in very high 10. Neutral was chosen by 25 people, which will suggest that there is a sample of customers which will like to use general Media for information regarding the company.

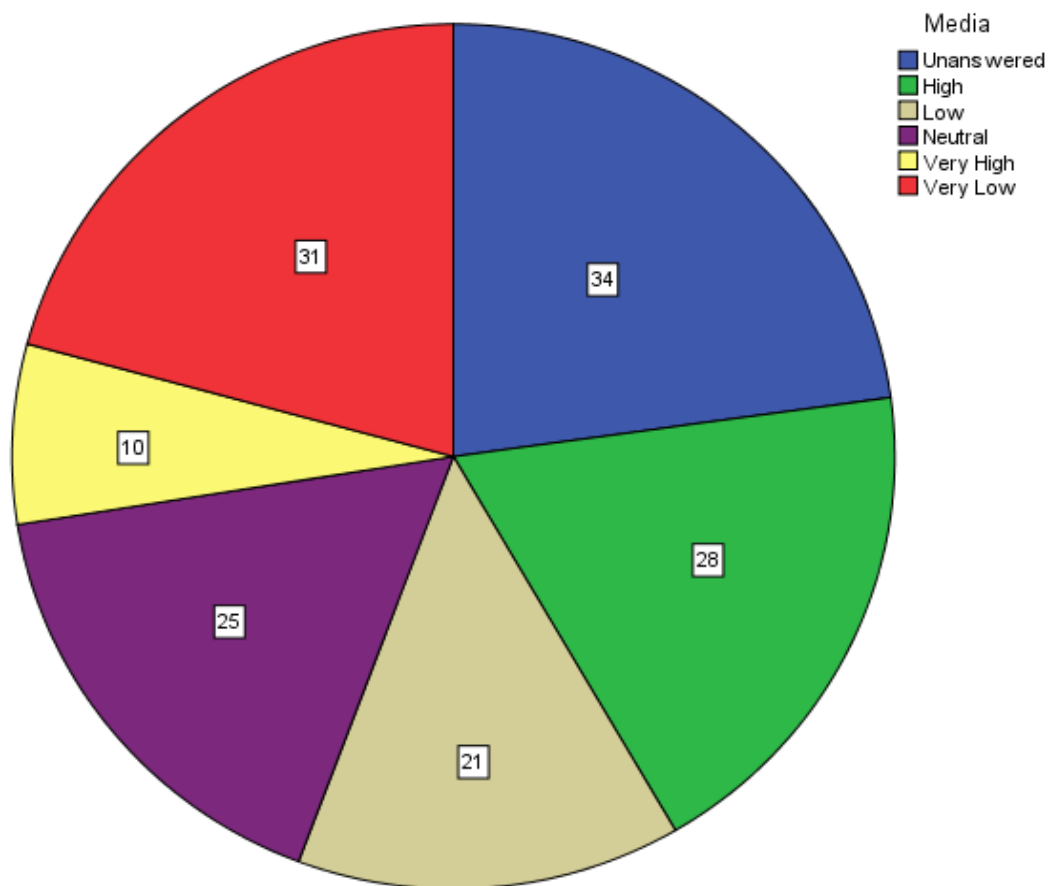


Figure 27. General Media

The next possible answer was “Blogs”. Figure 28 shows that 53 customers answered “Very Low” and 28 gave “Low” as an answer. A small number of 15 people answered “High” and “Very High”. The “Neutral” option was chosen by 19 people, which is not enough to consider blogs as a reliable information channel. The results show that “Blogs” are the least trusted information tool among the respondents. The outcome of low trust can be explained with the nature of controlled information which this answer have. This type of media channel can control the opinion of the audience and most of the time the companies are using it to do so. These reasons of course exclude “Blogs” made by people which are giving independent opinions not being manipulated in any way by the company. However, even the results are showing low rates of trust, the number of green-users using “Blogs” for information is still considerable.

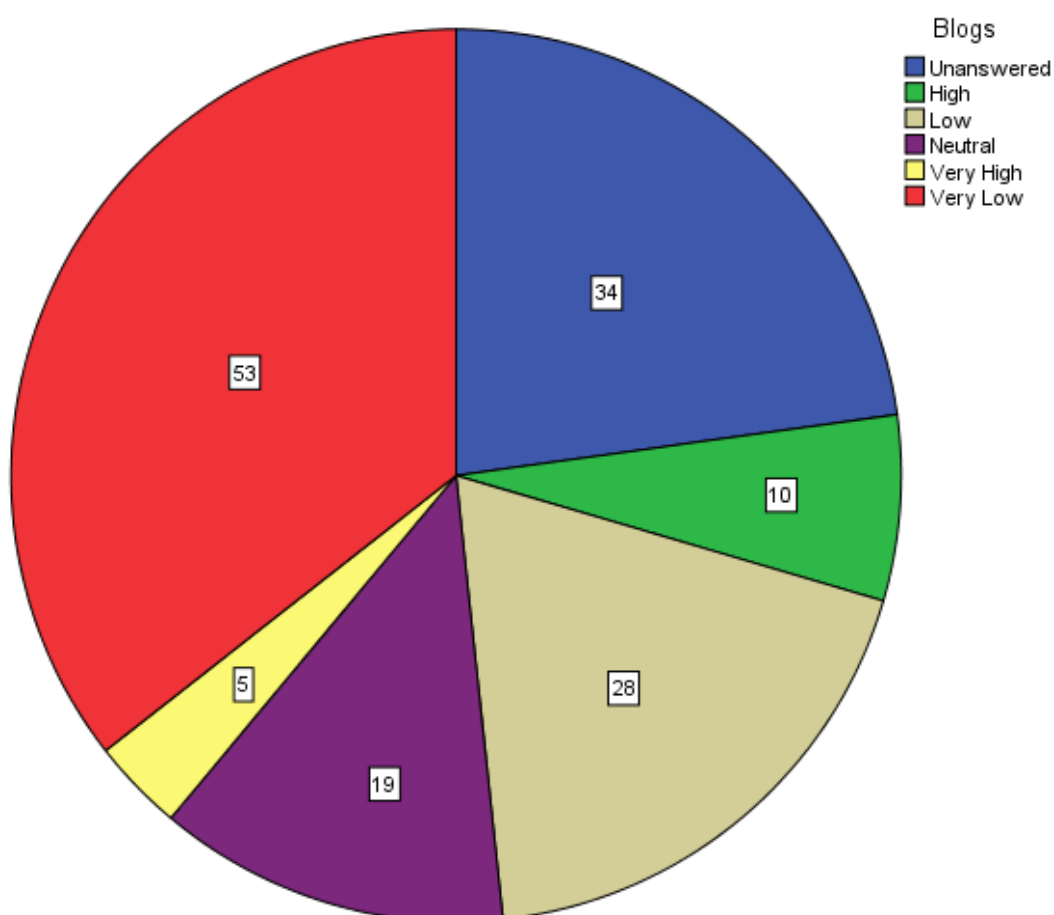


Figure 28. Blogs

The third possibility was Social Media. In this answer all the social channels were considered, e.g. Facebook, Twitter and Instagram. Social media is considered to be a big opinion maker among customers and yet a rather low number of people trust information seeking to social media tool. This low degree of trust is considered to be due the controlled information flow. Almost every company nowadays is using social media to keep in touch with their customers and therefore the consumer base knows that the released information can be adjusted. This adjusted information can affect the decision making of customers.

Figure 29 shows that Social Media collected 41 answers altogether in “High” and “Very High” trust of customers while the sum of 55 was reached in “Low” and “Very Low”.

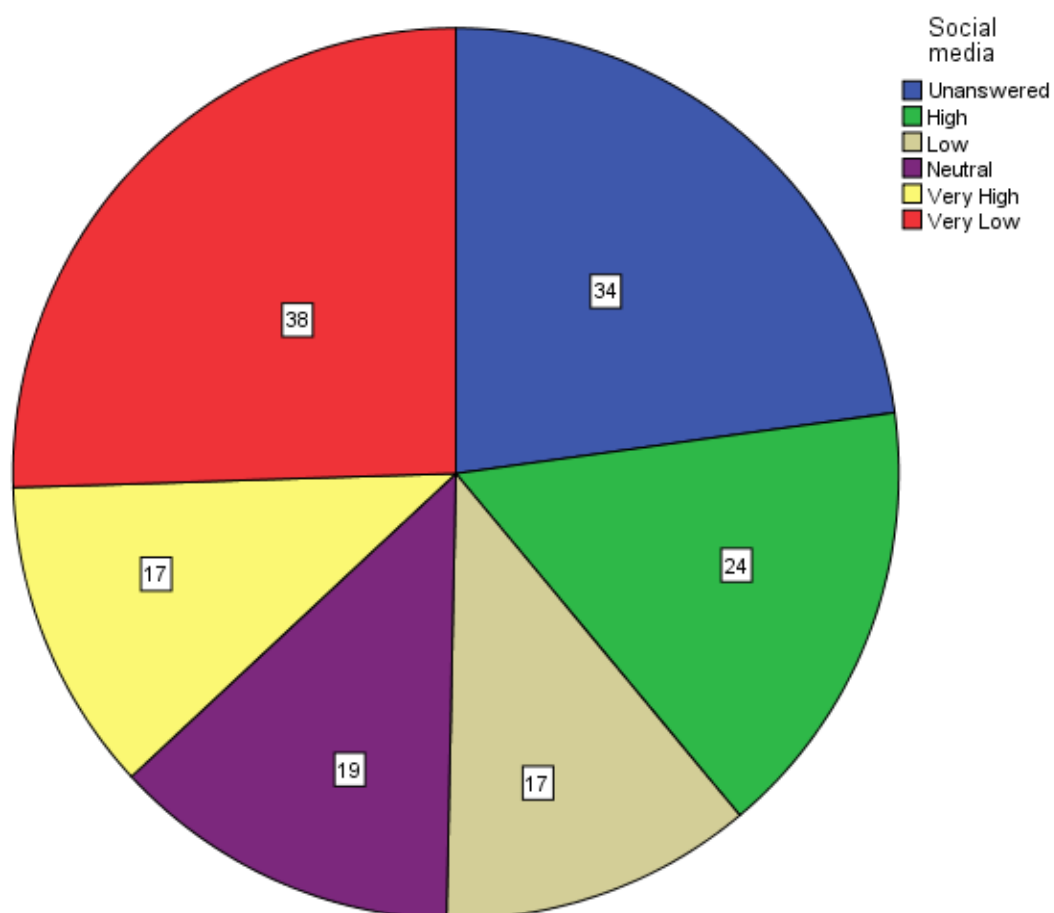


Figure 29. Social Media

Friends and peers are considered to be a factor with a high degree of trust because the opinion is not influenced like in Media, Blogs or Social Media. This possibility is considered as receiving information from friends and peers for promotions, causes products and services of the company. Also a considered information which is received can be connected to experience with products, services and aspects of contact

Figure 30 shows the results which are relatively surprising due to the fact that naturally friends and peers is considered information tool with a high degree of trust. There are 34 answers in high and very high and 57 in low and very low. The responses in “Neutral” are 24. These results show low level of trust to a channel which cannot be influenced as easy as the other media channels presented.

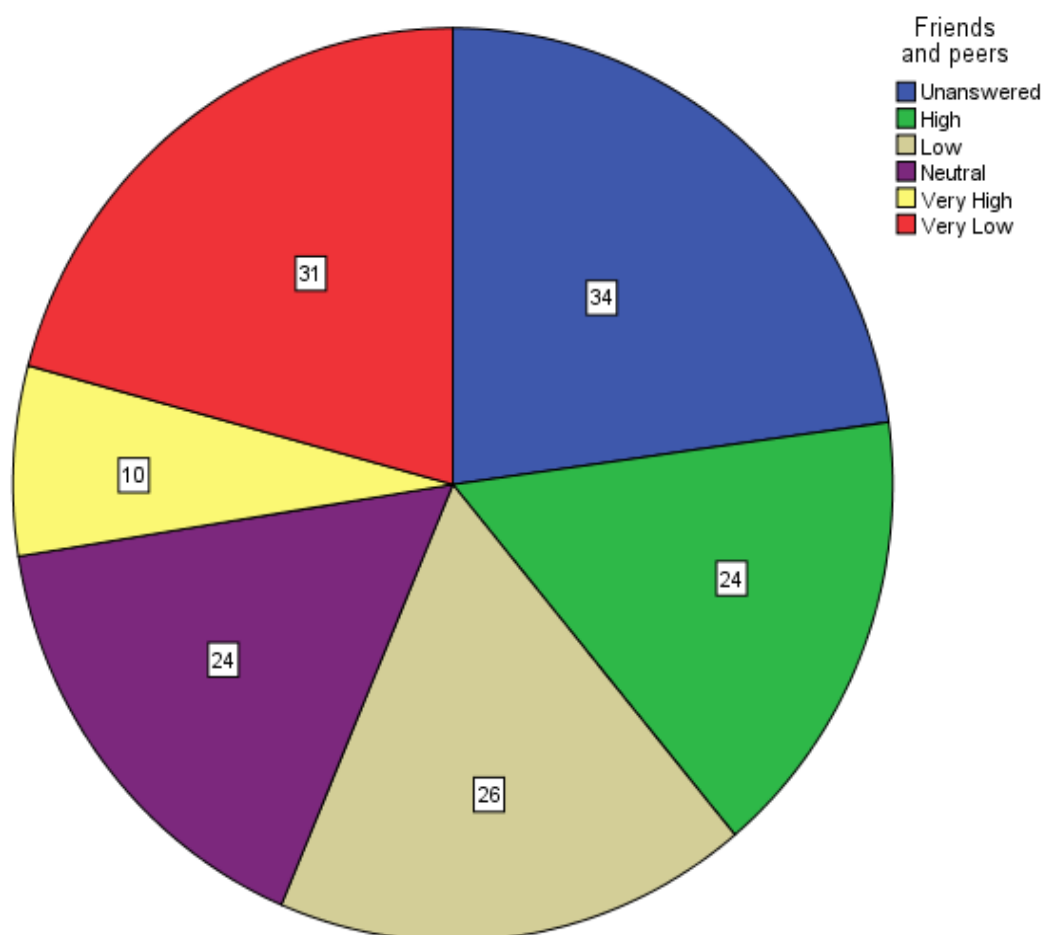


Figure 30. Friends and Peers

The last question's results are presented in Figure 31. The answer which was "Research" asked the respondents to indicate if they research the company and show to what level they rely on it. 56 responses were received in categories "Low" and "Very low" and 36 responses in "High" and "Very high". These results suggest that the customers are not using research as a mean of information gathering.

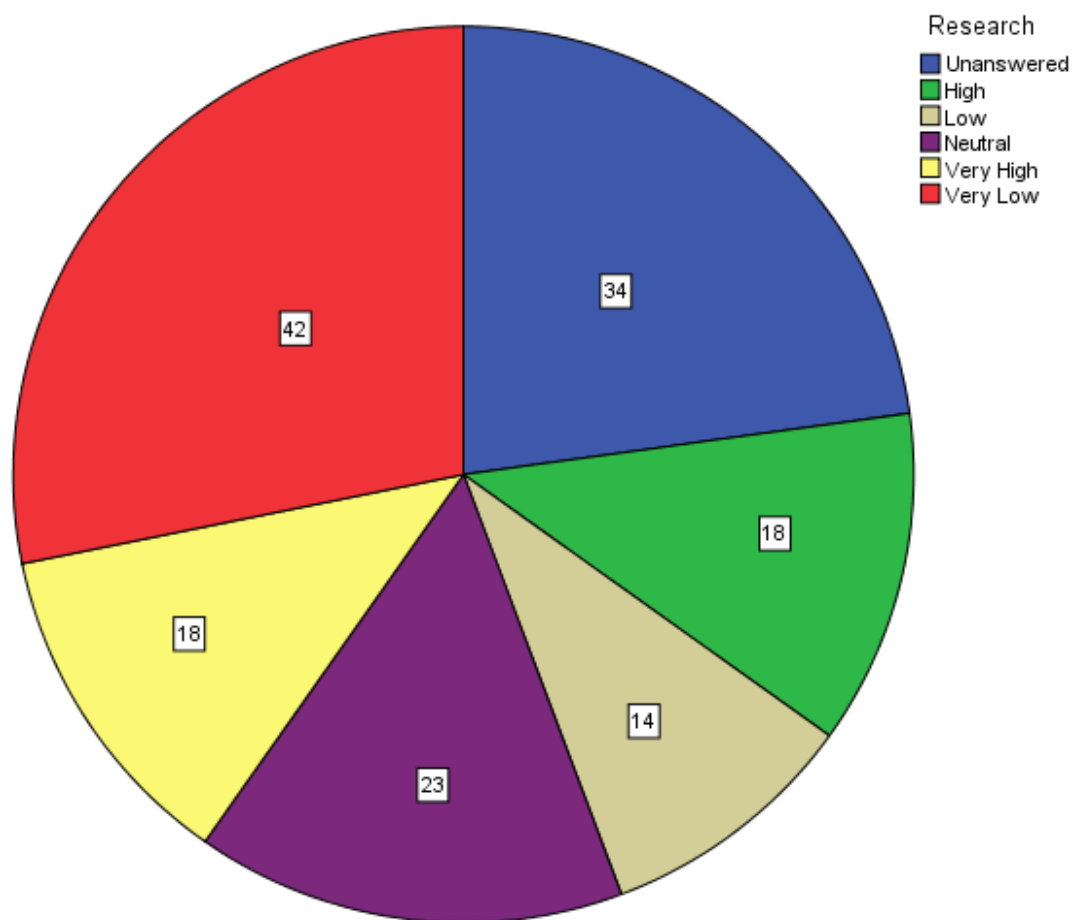


Figure 31. Research

In conclusion of media tools preferences the results show a rather low degree of trust in them. The information usage can be seen as slightly high in social media. Although the results indicate the overview trust as very low few conclusions can be drawn from the data. First that the customers might not rely on information based on observation but rather has an experiencing attitude. This will mean the audiences rather see the products and processes for themselves than to search for

information. A second conclusion is that the company has enough credibility. This possible outcome will be tested in the following paragraph.

Figure 32 shows the results for “Do you think the company meets their green strategy goals?” A major number of respondents 64 answered with “Agree”. These results show a rather big group indicating trust in the company and their goals. The “Disagree” answer collected 27 responses and “Strongly disagree” only 4 responses. The low level of disagreement is showing rather big high amount of loyalty to the company. The data indicates bigger amount in the “Unanswered” section which indicates that people had no opinion on the goals of the company and their performance.

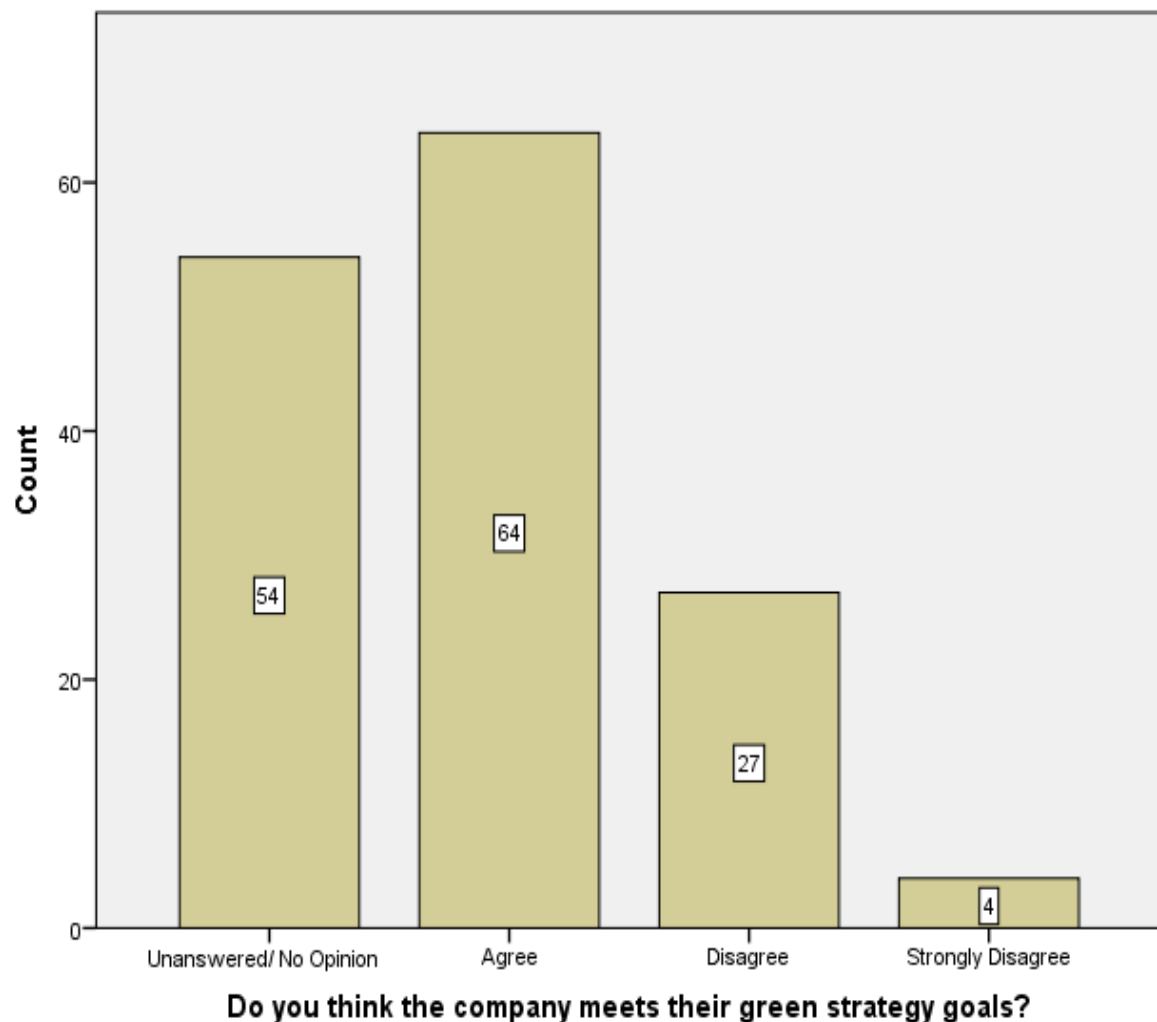


Figure 32. Company’s goals

In conclusion of analyzing the company's performance it can be seen that according to customers the performance can be graded as very good. Summarizing the results from this section shows the company is rather famous among the respondents with 115 customers from 149 total respondents. The overall view of the Media usage and its success showed very low usage of media for gathering information on the eco-causes and strategy of the company.

A controversial opinion was seen when the customers were asked do they feel that eco-causes practiced by the company will affect their loyalty and how many of the eco-causes from the company they are familiar with. These evaluations showed very low results in familiarity with the company's eco-causes. The last analysis shows that the customers have a considerably strong opinion for success of the company's goal. Overall the outcome of this section can be evaluated positively for the case company as the customers gave a satisfying opinion.

6 CONCLUSIONS

The following part is going to be divided in several points which will conclude the final results and outcome of the work. The points examine in this part will be summary of the work, suggestions for the case company, suggestions for future researches and reliability and validity of this research.

The summary of the work will summarize the highlights and present brief description of the most important elements in this study. The summary will also sum up the results presented in the empirical part along with some hypothesizes.

After analyzing the case company and the conclusions made with the results, some suggestions in improving processes of the case company can be drawn. These suggestions will be directly pointed at problematic areas which in this case are media success and information flow.

Suggestions for future researches will cover the possible expanding of the research and covering new questions in the same topic or field. This section will also suggest sectors of insufficiencies of this research and show solutions to them.

Reliability and validity of the research will show the credibility of the work and factors for estimating it. Possible errors and mistakes which can in anyway decrease this credibility will be presented as well.

6.1 Summary

As mentioned above the main purpose of this work is to establish the public's level of familiarity with green marketing and greenwashing and ability to differentiate them. Both terms were presented in the theoretical part with their history, concepts, definitions, characteristics, business opportunities and challenges. Nevertheless strategies and solutions for using green marketing and avoiding green washing were given as examples.

The work presented segmentation of green consumers in order to demonstrate the green behavior among customers. This way the identification of a customer base

will be more approachable. The vast usage of eco-causes and sustainable consumption were both presented in effort to familiarize the readers with rising environmental problems.

The empirical part of this research is aiming at establishing level of knowledge among the respondents for green marketing and greenwashing. Since the main research question is “How to identify greenwashing in a green marketing strategy?” very important goal was to be able to find degree of familiarity with the two subjects. After evaluating the results from the empirical study the work concluded low results of familiarity for both terms. However, the results were satisfying for the research question.

Another aim of the work was to make a suggestion for a possible establishing a green-profile of the respondents. Two profiles were conclusively drawn, but due to the insufficient number of answers a generalization of the public is not advisable. However, the first type “regular green user” which can be described as being a green-user and often purchasing eco-products while sometimes participating in eco-causes. This profile was indicated by the high number of answers in “I consider myself green-user” and “I purchase green products”. The third statement for eco-causes showed high results in “Rarely” and is considered for both profiles.

The second type will be respondents who do not consider themselves as green-users but they purchased green products at some point in their lives and participated in some kind of an eco-cause. This second type will be considered to be “accidental green consumer” which will basically mean that the customers are not green users, but were involved in green purchasing. However, this is only a suggestion for possible segmentation by the author of this work and the outcome should be challenged on the base of bigger data sample and other characteristics.

The work used a case company with a green strategy in order to give an example to the readers and deepen their knowledge. The company was presented and analyzed in the following sections: media usage, supported eco-causes, length of

customer relationship and overall performance evaluated from the gathered data. Suggestions were made in the necessary areas.

The outcome of both theoretical and empirical parts satisfies the main research question and gives knowledge of the issues in this work. The readers are not only presented to the problems, but also familiarized with definitions, concepts, strategies and solutions to them. The results from the gathered data are showing how necessary this work is to increase familiarity with the studied issues within the public scope.

6.2 Suggestions for the company

Part of this work is to analyze a company which has green responsible strategy and show its performance according to the customers. This analysis includes connection between length of being a customer and familiarity with the company, familiarity of the customers with eco-causes supported by the company, media success and coverage, finally overall customer's opinion on the performance.

Results in the connection between length of being a customer and familiarity with the company showed that the company has a rather big amount of sworn customers. The data showed also that as longer the relationship between customer and company as higher is the familiarity of the customer with the company. Therefore the customers increase the familiarity with the company and decrease the research needed on the strategy practiced. Suggested in here is that the company's customers should be maintained and marketing efforts should be appointed to the relatively new customers.

The second point which was analyzed is information of eco-causes that the company supports. The results showed that most of the respondents think that the eco-causes are important to their loyalty. On the other hand most of the customers do not know any of the company's causes. Also the information flow was indicated as "Neutral". All this will suggest that the company has to increase the quality of information flow for its eco-causes in order to satisfy the customer base.

The third part of analysis was media success and coverage. This part was aiming at estimating the media channel usage of customers and their trust in those media channels in order to gain information about products. The media channels suggested were General media, Social media, Blogs, Friends and Peers and Research. The results were rather low from all channels and customers showed low level of trust as well. A suggestion in this section is that the company should improve the overall usage of the media channels. Those channels with low level should be improved and the ones with higher score should be enhanced towards the preferences of the audience.

The last part of the analyze measures the overall opinion of the customers for performance of the company. As the results showed customers are satisfied with the company meeting its green strategy goals. However, the majority of the respondents answered that they are not familiar with the strategy the company supports. A suggestion for the company in this section will be to increase the familiarity of the customers with its strategy and processes. This increase will help the customers to familiarize themselves with causes the company is supporting.

6.3 Future researches

As mentioned above the data in this work was analyzed on the base of 149 respondents. This number of answers was sufficient to create a credible pattern in the research, but nevertheless higher amount of answers will be a better ground for studying.

One of the future research suggestions will be to extend the amount of data and conduct a similar research. A larger amount of answers will help to gain more diverse data and therefore make more stable conclusions. The diversification of the data will create more various results and will present vast amount of possible outcomes. Another suggestion will include that the audience must be introduced first to the subjects and then asked to fill the questionnaire. The audience in this work gave very low results of familiarity with the main subjects. However these very low results are showing how needed this work is to familiarize the audience.

A third suggestion will be in the demographic section of the audience. First, all of the respondents were analyzed than the research worked only with the people who considered themselves as green consumers. Finally, the study analyzed the answers of customers of the case company. A possible adjustment will be if the research focuses at using controlled groups of respondents. For example, only people who consider themselves green users can be asked to answer the questionnaire and then their results will be easier for analyzing. The same example will follow the answers for the customers of the case company.

6.4 Reliability and validity

The reliability and validity of this work might be questioned concerning the number of respondents even though the responses collected gave the necessary outcome of the work. Since the study was not aimed at any particular group and the reason was mainly to find the ability of the public to make difference between green marketing and unsustainable strategy, the amount of responses cannot be used to generalize.

The questionnaire was translated into English, Finnish and Swedish in order to increase the ease the understanding for people with different mother tongues. However an unexpected issue with the Finnish translation caused a problem with those responses done in Finnish language. After the analysis of the problem, the writer of this research decided to eliminate responses answered in Finnish and Swedish and work only with the ones in English. Without these 26 responses the working results were 149.

The difference between the sizes of data collected and Finnish responses is rather big. Therefore a generalization for this particular community on the basis of this work will be invalid even though the thesis was not aimed at particular group. In case the research needs to aim at Finnish customer groups than the work should aim at increasing the Finnish responses. Reliability and validity issues might also be found in communication between the author and respondents as well. But since a well explained and prepared questionnaire was used the possibility of such issues is very low.

REFERENCES

Books

Bradley N. 2010. Marketing Research: tools and techniques 2nd Ed. Oxford, Oxford University Press

Charter M. & Polonsky M.J. 1999. Greener Marketing: A Global Perspective on Greening Marketing Practice. 2nd Ed. Sheffield. Greenleaf Publishing Limited

Kahle R. L & Gurel-Atay E. 2014. Communicating Sustainability for the Green Economy. New York. M. E. Sharpe, Inc.

Kotler P. & Keller K. 2012. Marketing Management. 14th Ed. Harlow. Pearson Education Limited.

Krarup S. & Russell S.C. 2005. Environment, Information and Consumer Behavior. Glos. Edward Elgar Publishing, Inc.

Martin D. & Schouten J. 2012. Sustainable Marketing. New Jersey. Prentice Hall.

Oliver P. 1997. Teach Yourself Research for Business Marketing and Education. London. Hodder Headline Plc

Ottman A. J. 1997. Green Marketing: Opportunity for Innovation. 2nd Ed. Chicago. NTC Business Books.

Ottman A. J. 2011. The New Rules of Green Marketing: Strategies, Tools and Inspiration for Sustainable Branding. San Francisco. Greenleaf Publishing Limited, Inc.

Peattie K. 1992. Green Marketing. Business Handbooks. London. Longman Group UK Ltd.

Worthington I. 2013 Greening Business: Research, Theory & Practice. 1st Ed. Oxford, Oxford University Press

Electronic publications

American Marketing Association, 2014, Definition of Green Marketing, Accessed 11.04.2014, Dictionary, Online source, American Marketing Association, <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=G>

American Marketing Association, 2014, Definition of Green Marketing Mix, Accessed 11.04.2014, Dictionary, Online source, American Marketing Association, <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=M>

Clearworks, Green Resource Network, Infoco USA and ExecuteNow, 2009, Article for research about green products and services and how they are perceived by consumers and small and medium businesses, Accessed: 11.12.2013, Green Products and Services Research November 2009, Online article, Clearworks 2009, http://www.clearworks.net/files/Consumer%20and%20SMB%20Green%20Research_web.pdf

European Environment Agency, 2013, Environment and human health, Accessed: 11.12.2013, EEA-JRC report, Online Source, Luxembourg, Publications Office of the European Union, <http://www.eea.europa.eu/publications/environment-and-human-health>

European Commission, 2011, Ecolabel Facts and Figures, Assessed: 20.04.2014, Ecolabel, Online source, European Commission, <http://ec.europa.eu/environment/ecolabel/facts-and-figures.html>

Kinoti Mary W., 2011, Green Marketing Intervention Strategies and Sustainable Development: A Conceptual Paper, Accessed: 06.05.2014, International Journal of Business and Social Science, Online article, University of Nairobi, http://ijbssnet.com/journals/Vol_2_No_23_Special_Issue_December_2011/32.pdf

Lyytimäki J., 2007, Environmental protection in Finland, Accessed 11.12.2013, Online source, ThisisFINLAND, Finland Promotion Board, <http://finland.fi/Public/default.aspx?contentid=160041&nodeid=41799&culture=en-US>

OY Fazer Food Ab, 2014, Business Operations, Accessed: 28.10.2014, online source, <http://www.fazergroup.com/about-us/business-operations/>

OY Fazer Food Ab, 2014, Corporate Responsibility, Accessed: 02.12.2014, online source, <http://www.fazergroup.com/about-us/annual-review/corporate-responsibility/>

OY Fazer Food Ab, 2014, Annual-Review, Accessed: 02.12.2014, online source, <http://www.fazergroup.com/about-us/annual-review/annual-review-archive/>

United Nations Environment Programme, 2008, The Green Economy Initiative of United Nations, Accessed: 26.03.2014, Online Article, UNEP, UNEP, <http://www.unep.org/greeneconomy/AboutGEI/WhatIsGEI/tabid/29784/language/en-US/Default.aspx>

United Nations Environmental Programme, 2012, Sustainable consumption and production, Accessed: 21.04.2014, The Global Intelligence Files, Online source, Regional Office for North America, United Nations Environmental Programme, http://www.rona.unep.org/about_unep_rona/SCP/index.html

World Resources Institute, 2011, A Compilation of Green Economy Policies, Programs and Initiatives from Around the World, Accessed: 27.03.2014, The Green Economy in Practice: Interactive Workshop, Online article, World Resources Institute, http://www.uncsd2012.org/content/documents/compendium_green_economy.pdf

APPENDIX

Appendix 1 Green Marketing Thesis Questionnaire

1. Please, choose your gender

2. Please, choose your age range from the following options

3. Please, choose your mother tongue from the following options

4. Please, choose what your occupation is

5. How familiar are you with Green Marketing?

Very Familiar Familiar Not so familiar Unfamiliar

Familiarity ☐ ☐ ☐ ☐

6. How familiar are you with Green Washing?

Very Familiar Familiar Not so familiar Unfamiliar

Familiarity ☐ ☐ ☐ ☐

7. Have you ever been a victim of Green Washing?

Yes Not sure Not that I know of No

Engagement with Green Washing ☐ ☐ ☐ ☐

8. Do you think if engaged with green washing you will terminate any relation between you and the company?

Strongly Agree Agree Disagree Strongly Disagree

Experience Green Washing ☐ ☐ ☐ ☐

9. Choose the answer closer to your profile:

	Strongly Agree	Agree	Disagree	Strongly Disagree
I consider myself a green-user	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Very Often	Often	Rarely	Not at all
I purchase green products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Very Often	Often	Rarely	Not at all
I participate in eco-causes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Why did you buy green products?

No Selection ▼

* In which category are the eco- products that you buy?

No Selection ▼

* If you didn't why?

No Selection ▼

11. What is your level of confidence in the following media channels for information about the green products you buy? * As 1 is very low and 5 is very high.

	1	2	3	4	5
Media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Friends and peers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Research ☐ ☐ ☐ ☐ ☒

12. Do you think that using a responsible Green Marketing strategy increases the company's credibility?

Strongly Agree Agree Disagree Strongly Disagree

Real Green Strategy ☐ ☐ ☐ ☐

13. Do you think the eco-causes that a company supports are factor for your loyalty?

Strongly Agree Agree Disagree Strongly Disagree

Eco-Causes ☐ ☐ ☐ ☐

In case you are not a customer of "Karl Fazer OY" you can finish the questionnaire here. Thank you!

14. How familiar are you with the company?

Very Familiar Familiar Not so familiar Not at all

The company ☐ ☐ ☐ ☐

As "Not at all" will mean that you purchase from the company without any other particular interest.

15. How long have you been a customer of the company?

16. How often you purchase from the company?

17. How would you place the category(s) of products you buy most?

1 2 3 4 5

Chocolate ☐ ☐ ☐ ☐ ☐

Confectionery ☐ ☐ ☐ ☐ ☐

Bread ☐ ☐ ☐ ☐ ☐

Pastry ☐ ☒ ☐ ☐ ☐

Biscuits ☐ ☐ ☐ ☒ ☐

18. How satisfied are you with the information about products and their connection to eco-causes?

Very Satisfied Satisfied Neutral Not so satisfied Not at all

Information ☐ ☐ ☐ ☐ ☐

19. How many of the causes that "Karl Fazer OY" supports are you familiar with?

20. How familiar are you with the green strategy of the company?

Very Familiar Familiar Not so familiar Not at all

Familiarity ☐ ☐ ☐ ☐

21. How do you gain information on performance and maintenance of eco-causes of the company?

1 2 3 4 5

Media ☐ ☐ ☐ ☐ ☐

Blogs ☐ ☐ ☐ ☐ ☐

Social media ☐ ☐ ☐ ☐ ☐

Friends and
peers ☐ ☐ ☐ ☐ ☐

Research ☐ ☐ ☐ ☐ ☒

22. Do you think the company meets their green strategy goals?

Strongly Agree Agree Disagree Strongly Disagree

Goals ☐ ☐ ☐ ☐