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Green marketing strategies for international firms in China

-A case study of Emerson Electric Co., Ltd

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Abstract

Purpose/aim The aim of this thesis is try to through the case study of Emerson to analysis the situation of green marketing strategy of international company in China. Meanwhile, based on green marketing strategy to discuss how to adjust the develop direction of international company in China.

Design/methodology/approach

This thesis is based on qualitative business research from the collected data to exam the levels of greenness, from macro and micro environment to analyze green marketing strategy of the international companies. The data of this thesis are collected from interview and secondary data.

Findings

According to the research, this thesis had found out that green marketing strategy in China is very powerful for international companies from the macro aspect. From micro aspect, the international companies which has their advanced technology and services. Meanwhile, this thesis had found out that China is the lack of green customers, and the lack of green awareness, which is the main reason could be the hinder of the operation of green marketing strategy. So, combine with the theory and analysis, the conclusion is that the international companies should cooperate with Chinese government through the green education and the green products of company to promote the green awareness to Chinese customers. These behaviors will make more benefit of their green marketing strategy in China.

Originality/value

The original idea is through the analysis of Emerson to find out how they work in China, and how to optimize their green marketing strategy in China. These behaviors also could change the polluted environment in China.

Key words: Emerson, green marketing strategy, green marketing, green levels, green awareness, international companies, China.

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Ch. 01 Introduction

1.1 Background

Pracki (2011) said that in 1970, the first large-scale energy crisis occurred. Since then, there will be many scholars began to focus on how to make the green market by renewable energy or green production. Furthermore, there are several terms with a slightly different meaning; it includes environmental marketing, green marketing, ecological marketing, sustainability marketing, sustainable marketing, and social marketing. However, several concepts of green marketing are used to mean the same thing (Belz and Peattie, 2009). Meanwhile, marketing strategists often focused on environmental considerations to be leveraged for competitive advantage (Ginsberg and Bloom, 2004).

In the middle of 18th century was the age of Steam; 19th century was the electric age; 20th was the information age (Europe and the United States were from 1969, China and other developing countries were 1984), the company and factory they always adjust their strategy to suit the market requirement. Meanwhile, environmental technologies, economic policies, and social initiatives are all essential elements to maintain economic sustainability, but their influence based on achieving changes, which is in actual consumption patterns and behavior (Peattie, 2010). From the end of 20th, the green market had come out by computer manufacturer with the antonym word “grey market” and according to the environmental impacts of consumption; the green consumption as a key element has emerged in the academic and policy debates.

The leads of renewable energy capacity country are China, but only the renewable cannot change the environmental pollution in China. One report in 2013 which by The Conference Board they had found the Chinese companies are slowly adopting sustainability reporting practices, and they are happy to share the sustainability experience with other company. Green marketing is the one of the sustainable strategy (Matthews, 2013), this marketing describes marketing activities that attempt to reduce the negative social and environmental impacts of existing products, design, packaging, labeling, use, and production systems, and which promote less damaging products and services (Peattie, 2010). Up to 2010, green marketing has included a wide range of activities related to: product design, the manufacturing process, service delivery processes, packaging, construction and renovation of buildings, recycling, and other areas such as marketing communications (Prakash, 2002). In China, Wan Hou-fen’s “green marketing” (Beijing Higher Education Press, 2001) is one of the representatives in this area.

Chavan had mentioned that there have been more and more companies which have introduced green products or/and green services around the world (Chavan, 2005). The degree to which green marketing has been incorporated into a company’s marketing strategies has varied between companies (Chavan, 2005). For example, the Body Shop is the one of the most successful company via operate green marketing strategy and has

expanded to the US using a similar approach (Wallace, 1990). However, for Chinese market, whether Chinese companies or foreign companies, they were short of a lot in this market and always a choice the management method of a quick profit. Green marketing strategy of most companies is just a slogan for them but is not implemented in the actual operation of the business. Actually companies and consumers could get benefit from Green activities. Similarly, when creating green marketing, international firms have a lot of barriers in Chinese market. However, from the process of enterprise to explore the green consumer demand and to solve their green demand, through this plan companies acquire green benefits, social benefits and business benefits and consumers achieve environmentally friendly and healthy products.

Thus, transformative green marketing is very different from a marketing perspective that focuses on non-producing societal harm, as, at present, most marketers focus on meeting human needs rather than enhancing mankind's quality of life and improving the natural environment. Marketers and society rely on nature and natural resources; nature does not rely on humanity, even though society can negatively impact on it. Therefore, mankind (and, thus, marketing) and the natural environment are interdependent.

1.2 Problem discussion

Since green enterprises ideally began to use less raw material that caused less waste and less pollution, the view of green management as a profitable strategy arose (Vastag, 1996). Many firms have changed to use a more environmental friendly approach, and promotion and advertisement containing green information increased noticeably (Crane, 2000). Such as McDonald's, Merck and Quaker Oats were praised for their environmental efforts in terms of adopting environmental policies, recycling efforts, energy efficiency, corporate responsibility and so forth (Vastag, 1996).

According to Prakash (2002), "corporate environmentalism is the organizational wide legitimacy identifying and the importance of the biophysical environment in the development of organization strategy, inclusion of the environmental impact of business actions in the strategic planning process, organizational communication of the corporate environmental goals, and the organization responsiveness to environmental issues." Based on the traits of the enterprise itself, industry features, regulatory force, public concern, the macro environment, etc. Corporate environmental can be influenced at different levels of strategy (Charter and Polonsky, 1999).

Poor credibility, consumer cynicism, and consumer confusion these three major problems which are associated with green marketing, that can be overcome when developing the marketing strategy (Winn and Angell, 2000). Satisfying customer needs is the key-aims for every business (Bruhn and Georgi, 2006), and that is why this external factor is the most important motivator enhancing companies to start green business (Charter and Polonsky, 1999). Researchers indicate that consumers become more aware about the environmental issues and that affect their consumption behavior.

Meanwhile, a lot of studies show that consumers desire to purchase products and services which are less environmentally harmful and even wish to pay more than companies would become more environmentally friendly (Mendleson and Polonsky, 1995).

Marketing strategies always need to be based on macro environment and micro environment to analyze and formulate. Meanwhile, adjusting strategies to adapt to the market is also important. Therefore, according to Peattie, creating a suitable green marketing strategy should also go through the process called the Greening of Marketing Mix (Peattie, 2010). It will bring some particular consequences, such as competitive advantage via creating value and adding value, through enhanced social image, via reduced prices and higher ROI, through greening the whole B2B supply chain and greening the entire service/product life-cycle.

Recently, China has followed the track of rapid urbanization. Those development stages and the process that could impact the environment and development of Chinese Marketing significantly. There are many issues that need to be solved in the long way of green marketing development. Chinese enterprises possess a low level of green marketing, lacking of content and consumers have not a high green awareness, economic infrastructure inadequate, and environmental technology backward, environmental protection laws need to be improved. Meanwhile, the development of green marketing in China, which needs international companies, who are the green experimenter as a pioneer to help develop green marketing in China. Furthermore, there are a few studies which had studied and examined green marketing strategy for International Company in developed and developing countries, but the researches lack for China, so this thesis had chosen international companies in China to study. This is the main motivation to study the situation of green marketing for the international company in China. In addition to this, this thesis will through the micro and macro factors to analyze how to improve green marketing strategy in next stage for international firms in China.

1.3 Research question

There are a lot of research about green marketing articles. However, they are lacking information of articles related in the international firms in China. For the situation in China, both local companies and international corporates need to use more sustainable development strategy to increase the strength of competitive which including the green marketing strategy. Whether the business or Chinese government they are all interest and attention on the advantage green marketing of the international company, so this thesis will more focus on the green marketing strategy of international firms in China. The problems will show as following:

Question 1: What is the influence of green marketing international firms in China?

Question 2: How do these factors influence international firms?

Question 3: How to improve green marketing strategy for international firms in China?

Ch. 02 Literature review

In this chapter, this thesis will introduce the conception of levels of greenness, some theories and based on the theory of PEST, Marketing 7Ps, Green strategy activities to organize out the summary of the conceptual model. The following chapter will make more detail analysis based on this model.

Green customer is one kind of the customer who had the purchasing power to pay more of a green product or service, and they pleasure to buy a green product to change and decrease the environment pollution (BSD, 2013).

Price is not the problems when the customer accepts the green product and green program could be the incentive of employees, but some companies they are reluctant to publicize their green efforts, because sometimes it will be regard as greenwashing (Hopkins and Catherine, 2009).

According to Mendleson and Polonsky (1995), customers are more demand to purchase a green product and green services to decrease environment pollution. But there still have the amount of customers who don't want to pay for a green product or don't have a strong buying willingness (Ginsberg and Bloom, 2004).

Based on Vargo and Lusch (2004), so many consumers not realize that when they are purchasing products, the product maybe is the green product, but the service maybe not the green service. It could be including the packaging, labelling, transporting, etc., if these step using very pollution way, it still a problem.

2.1 Green marketing

Modern green marketing is originated in the mid of 1970s, which is some ecological marketing scholars study. Green marketing has become the focus of enterprise innovation for the worsening environmental problems and environmental protection to strengthen the cognition of consumers. Li (2004) considered that, in the 21st century, the green marketing fundamental strategy is based in China, face to the world, broaden our thinking, build a platform, establish enterprises' green marketing strategy that match environmental protection and marketing goals, with the overall development strategy coordinated, with "green marketing" development trends and to adapt to the sustainable development in 21st century. It will promote the company's rapid and sustainable development.

For the green marketing in China, we can take corresponding countermeasures from the macro and micro aspects to protect and develop enterprises in China in the 21st Century and achieve competitive advantage. According to Banerjee (1999), the factors that could influence the company development in the green market are the macro environmental factors and microenvironmental factors. Meanwhile, Peattie (1995) had stated that the factors that influence the enterprise to the green market including two

parts the macro environmental factors and the microenvironmental factors. In this thesis, the PEST analysis will be used to analysis the macro environmental factors, and the Marketing 7Ps and other green marketing elements will be used to analysis the microenvironmental factors.

2.1.1 What is the Green Marketing?

According to Iyer and Banerjee (1993) mentioned that the term green is considered as an underlying concern for protecting the environment and following a noninvasive lifestyle. The term is typically used interchangeably with the term of pro-environmental (Shrum, McCarty and Lowrey 1995). Peltomäki and Kamppinen (1995) considered that greening means taking nature conservation aspects into more careful consideration in all of society's actions.

Hu (2006) pointed out, the "green marketing" is marketing activities that meet with customer needs, gain the interests of the community and natural sustainable. Tian (2006) believes, green marketing is a part of marketing process, which needs companies to balance their own interests, consumers' interests and environmental interests, rationally use resources and minimize or even avoid the environmental and ecological pollution and destroy the companies' production and operation situation, and provide clean, safe and pollution-free for consumers, reasonable prices consistent with the needs of the consumers of goods and services. Li Qingman said the so-called green marketing is companies to develop their own and preserve the society's sustainable development. According to the rational green marketing strategy, from the clean production of green products, green design to comprehensive use of green marketing 7PS strategy to meet customer demand for green consumption, discharging their social responsibility and environmental obligations (as cited in He and Su, 2007). Furthermore, Zhou Xiaonong figured out that green marketing strategy is the innovation and development of marketing strategy (as cited in He and Su, 2007). It is a long-term and more openly strategy, which pursuits the interests of the community in the pursuing of the uniform of the interests of consumers, business, and society, focus on macro-social contribution, to pay attention to resource conservation and environmental protection, to content consumers' demand for green, and to gain the enterprise's goals and sustainable development. Green marketing, as a guide sustainable development and management of the process, its ultimate aim is to gain corporate profits and consumer satisfaction, and to reach harmony between people and the natural.

With the more and more problems of serious environment pollution and the change of market demand, some terms start to appear frequently in the popular press, like "Green Marketing" and "Environmental Marketing" (Polonsky, 1994). Meanwhile, Due to environmental pollution Many governments have to regulate its marketing activities and concerned about green marketing activities (ibid). Furthermore, Polonsky (1994) had mentioned that most of people think that the green marketing is the product which refers to environmentally promotion or advertising. Nair and Menon (2008) considered that green marketing as an entire and sustainable managing process that creating

optimize consumer value and other stakeholder value without compromising human and environmental safety.

The environmental arguments and values are the productized as a part of the product or service, so it is important for the company in green marketing. (Pallari 2004). Green marketing is pulled by markets and pushed by legislation towards improved and environmentally friendlier corporate performance (Van Dam and Apeldoorn 2008). Peattie (1995) considered that green marketing is based on three principles: social responsibility, sustainability, and a holistic approach. Green marketing have a wide range: product design, the manufacturing process, packaging, service delivery processes, construction and renovation of buildings, recycling, and other areas such as marketing communications (Kilbourne and Beckmann, 1998). Meanwhile, according to Prakash (2002), managers need to identify what ought to be greened: a company (systems, processes), a product or both. Green marketing services includes service delivery processes. Other known titles for green marketing are: sustainable marketing, environmental marketing, and ecological marketing (Prakash, 2002).

For the green marketing, through a holistic view, it includes a firm trying to achieve its corporate objectives and solve their customers' needs while trying to minimize the environmental harm that these actions are causing (Belz and Peattie 2009,). Ranta (1993) mentioned that as marketing is often regarded as a method that tries to make people buy what they really do not need, it is in stark contrast with the extreme environmentalist aim of only consuming the things we absolutely need. From long term, marketing is the most efficiency method to solve environmental problems (ibid).

2.1.2 Why to Go Green?

As more and more environmental protection appears on the news, TV, public place, and so on; it has turned into a trend within several business fields now. The company will increase their environmental marketing activities, if for the sake of offspring and save the earth might be a reason. As pull factors, the competitors' increased reactions to environmental pollutions and the demands coming from green consumers have gained in visibility and significance. As push factors, the environmental regulation and laws imposed by governments have become stricter (Peattie 1995; Roarty 1997). Meanwhile, due to the rising costs of resource, many corporations focusing on more effective usage of resources or trade down for natural raw materials (Pallari, 2004; Peattie, 1992). There are other reasons to go green, such as company's own garbage reduction goals, demands coming from suppliers or other co-operation partners, philosophical or moral reasons, competitive reasons, recycling trend or community relations. (Kassaye, 2001; Polonsky and Rosenberger, 2001).

According to Peattie (1992) mentioned eight possible reasons why companies are greening their actions that: 1) going green is what the customer needs, if not complete may lose sales, 2) when environmental problems lead to market stagnation, going green can open up new markets for the company, 3) going green not only can competitive

advantage, but also can save money for the company, 4) the company could be protected by becoming green as a sort of insurance, 5) a company whose environmental performance exceeds the requirements set by legislation, has a buffer against tightening regulations and can that way avoid making constantly small adjustments that are often costly in time, effort and money, 6) Environmental vandalism will increasingly become illegal throughout the world, 7) greening business can bring employee's Enthusiasm, 8) environmental problems can provide major threats as well as opportunities.

Green Business Alliance (2014) had given some reasons about why go green. 1) With the environment increasingly need to be protected, going green is the responsibility of every individual. 2) Going green is a positive strategy, it could be help employees boosts morale and company loyalty. 3) Achieving a competitive advantage for corporate. 4) Improving efficiency and reducing operational costs. 5) Creating a cleaner and healthier work environment. Jones et al. (2008) proposed five reasons for the development of sustainability in firms in their article: 1) need to comply with environmental and social regulations, 2) focus on cost and scarcity of natural resources, 3) socially responsible financial investments, 4) growing media interest and the huge pressure from the activities of anti-corporate groups, 5) the general change of social attitudes and values in modern capitalist countries.

Through changed consumer demands or changes in the competitive environment of the company, environment can also impact business. Sometimes, national legislative modifications can bring big, compulsory changes at once. Furthermore, business can be impacted indirectly from different aspects, such as environmental concerns courage media, company staff, general public or shareholders to put pressure on the company. (Peattie, 1992). Meantime, creating a green, sustainable culture requires a balance consideration of economic and technical influences and aspects of businesses with understanding of their social and physical implications (Peattie, 1995).

Koechlin and Müller mentioned that a successful company is also increasingly becoming dependent on its environmental performance (Koechlin and Müller, 1993). Investigators show that many consumers would like to choose one brand over another if they believe this brand could help the environment (Carlson et al., 1993). A company can gain public support and goodwill when it operates an overall green strategy with a good product design and is then able to advertise it effectively (Wasik, 1996). Meanwhile, many companies regard their environmental awareness as part of an overall cost reduction plan: "good ecology is good economics". (Wasik, 1996)

2.2 Macro environment factors in green marketing

The macro environment can affect the corporate of the level of green strategy and the tools of green strategy (Polonsky et al., 2003). In this part, some factors about the relationship between the green strategies and the macro environment will be provided.

2.2.1 Political

Political factors could be defined as the government regulations and some issues based on related laws and the related enterprise must operate under these laws. The government also could make some tax policies influence the business environment. (QuickMBA, 2010; PESTLE, 2014)

The different countries represent different levels of economic development and varying political framework conditions (Jacob et al., 2013). Some environmental groups had examine firms' claims carefully, because the federal and state governments had regulated the permissible standard, the false or exaggerated environmental claims company will be sanctioned (Greenpeace, 1994).

According to Menell (1995), if the government force companies to make the external environment to internal environmental, meanwhile, provided one institutionally price mechanism, it will make more benefit of environment and the government will be one important role.

The key to success relies on the development of a new and more extensive series of national capacity. These include not only ability develop and carried out a strong set of environmental protection policy, but also to ensure their consistency with other policy areas, especially innovation and industrial policies (Jacob et al.,2013).

In order to scale up these emerging initiatives into broader strategic transition, development and further enhance the corresponding political discourse and social union is necessary. This strategy will have to consider the reform of political economics, the social justice problem, and solve the key stakeholders interests (Jacob et al., 2013).

In China, policies have been promoting the corporates' innovation and industrial policies to achieve green development (Jacob et al., 2013). China created a climate change strategies or plans, and formulate emission reduction or other associated with climate change goals. Namely, reduction of carbon intensity by 17 % and energy intensity by 16 % by 2015; Reduction of carbon intensity by 40–45 % by 2020 (Jacob et al., 2013).

Similarly, in China, as an important part of its 12th five-year plan (2011-2015), it includes energy conservation, environmental protection industry, new energy industry and new energy automotive industry (Boyd and Copsey, 2011). As mentioned in the China 2030 report, published jointly by the World Bank and China's Development Research Center of the State Council, they represent high-value added sectors with significant export potential (World Bank and Development Research Center of the State Council, 2012).

The non-government organizations (NGOs) are the organizations which are focus on some local social problems without and profit concept, and the organizations are private

investment, not belong to government. The NGOs will examine firms how to implement their claims and examine the government behavior and make the important role to influence every sectors which are related. Meanwhile, the NGOs could change the way of governments and companies that how to do the business. Meanwhile NGOs had changed the relationship between government and business (Allard and Martinez, 2008).

According to Allard and Martinez (2008), the government policy and non-government organizations (NGOs) are also one important conduits for assist and providers of development services in developing countries. NGOs had created and systematized the standards in the societies when they operating.

2.2.2 Economical

The economic factors include interest rates, the economic growth, the inflation rate and exchange rates, which could be influenced the business decision and operation (PESTLE, 2014).

Asian countries are differ from the rest of the world, they need three times the input source to produce a unit of GDP. On the other hand, this development reflects the trend in the region, the industrial production growing shifted from more efficient production center to more resource intensive production center, including China and other low-income countries in the region (UNESCAP et al., 2012).

The section provides a brief overview of strategies to appeal green growth and tackle climate change in the selected countries. After this, each of the drivers and the related policy patterns are explored (Butner, 2014).

The taxation is one kind of the management of government, it could influence the distribution of civilian income also is the income of government. Taxation is a variety of forms, for example turnover tax, income tax, property tax, resource tax and act tax. These behaviors are all in order to regulate the market and the gap between rich and poor, limited resource waste, and some control to the enterprise (Butner, 2014).

Tax policies set by the government to achieve numerous goals from open source to guide business decisions. For corporate leaders, tax has not been another cost to participate in income-generation. Legislative bodies trying to prevent a particular activity may levy of extra taxes to make it attractive to enterprises; On the other hand, help enterprises to enter the area of development, like renewable energy, for instance, the government might offer tax relief and credit subsidies to private spending (Butner, 2014).

Meanwhile the factors also including the inflation, exchange rate etc. The inflation could reduce accumulation rates and decrease the efficiency of productive factors operate. In economics, the inflation could interpreted as the goods' and services' general

price level continued to rising up in one period. When the general price level increased, the quantity of purchase will decrease by each unit of currency. Therefore, the inflation will arouse purchasing power decrease (Burda and Wyplosz, 1997).

According to Bell and Lattin (1998) the price is one important factor in consumer behaviors whatever the nation's economic wealth and the consumption level. So it also will be the important part of green consume. The low levels' nations only focus on the problem of food and clothing, but the high levels' nations will focus on other higher requirements, such as nature protection, ethical consumption, quality and forth (Solvalier, 2010). Normally, it will depend on the demographical characteristics of person, such as educations, age, income level etc. (ibid).

2.2.3 Social

The social factors are the demographics factors, such as the age distribution, health consciousness, culture, salaries etc. (QuickMBA, 2010).

Normally, the social factor can affect external environment of business, it could be the religions, consumers' attitude of green product or service etc. but all issues based on demographic problems. Sometimes the media and some organizations also can affect green marketing through consumers. If the TV, radio, internet etc. play the environmental things and green products, it must affect consumers' attitude with green product and service.

Kenneth (1999) had state that, the media can interest in people, knowledge and understanding of the political cause certain influence. A genuine media effect could do more than the information transformation, but they must cautious about the language use and the cause and effect statements. Meanwhile, so much researches proved that the media can cause certain influence to the purchasing power. The researches had shown that media can cause the influence of different forms in different industries, and these effects is also based on demographic factors (Moseley, 1999; Optometry, 2009; Forbes, 2013).

2.2.4 Culture

Lawrence (1997) mentioned that culture represent values and manners that guide the actions of individuals and the interaction of people within a society. He defines "values" as ideas or standards of behavior to which a society attaches importance, and "attitudes "as ways in which people learn to respond to facts, circumstances, and issues. Early, Scholars had come up with the importance of socio-cultural factors in the decision to create new businesses, impact the development of corporate (Aldrich and Zimmer, 1986).

For various corporates, they should concentrate on the national values and cultural features of particular nation because it will impact on customers behavior, loyalty, and satisfaction, during the stages of planning, organizing and implementing the business

strategies, (Czinkota and Ronkainen, 2007). According to Lewis (2006), there exist specific cultural features that can affect the mentality and the behavior patterns of the consumer in particular countries.

In china, most social values are divided into Confucianism and Taoism. Confucianism is the most influential thought in China, which forms the standard of the Chinese cultural tradition and still offers the foundation for the norms of Chinese interpersonal behavior (Pye, 1972). Confucianism is basically the behavioral or moral doctrine, which include the Five Constant Virtues: humanity, righteousness, propriety, wisdom and faithfulness (Ch'en, 1986). In Chinese business culture, there are the concept of guan xi (connections / relationships) is an important element, for example, if you as mid-level government bureaucrats 's potential Chinese partners, they can give you a head start in the trust building process (Alon and Ilan, 2003). The national values can affect the way people work, communicate, spend leisure time, and can impact on the patterns of consumption behavior as well (Lewis, 2006).

2.2.5 Technological

The technological factors including automation, research and development and the technology amounts which could lower the entry barriers and influence the outsourcing decisions (QuickMBA, 2010).

Green technology is the technology which are based on “green” purpose to protect environment, decrease pollution and make more efficiency for the industry. The green inventions often involves: energy save, resource recycling, health concerns, renewable resources etc. (Bellis, 2014).

Green technology not only the manufacturing technology also in the transportation and storage aspect. The famous examples are green engine technology, solar energy (photovoltaic panels), green storage technology (sort of the green management in storage aspect) and some recycle products.

Many companies think product differentiation can promote to go green. There is an opportunity to capture an untapped market and stimulate the production activities, through innovation of intellectual property rights to occupy the market share.

Nowadays, green technology industry confirmed as an important strategic in China, the aim is to acquire the leadership positions in the business area. (Jacob et al., 2013).

2.3 Micro environment factors in green marketing

According to Banerjee (1999) and Peattie (1995) indicated that micro environment is also important influence the company’s green marketing strategy. We will provide Marketing 7Ps and other elements in this part.

The 4Ps are proposed by McCarthy in 1960, but Booms and Bitner had improved the

4Ps to 7Ps in 1981. Afterwards, Sharma also states that product, price, place and promotion cannot fit the green context and people, process and Physical evidence had becoming to more important (Sharma, 2000). The Marketing 7Ps are as following:

Product: green product and normal product are good substitutes, how could the green product stand in the green market.

Price: higher price for green product, but how to determine the volume of green customer's willing willingness to pay is also a problem?

Place: it is not only the place to sell the product, also the distribution channel.

Promotion: how to make the product more impression for customer and how to active the buying inclination are the focus of these part.

People: the people including the company's service personnel and customers which are connect with the service quality.

Process: also called as consumer management process which is the service process in the transaction, the time cost and service process could influence the competitiveness of the enterprise.

Physical evidence: The best service could be interpreted as show the intangible service to tangible service for customer.

2.3.1 Green customer

According to the survey of Ottman and Mallen (2014), the green customer is more like to find out the greener products which is more health, higher quality and saving money, saving time. For the customers which already accepted the green product, they won't only focus on the product situations also pay more attention on the manufacture process or transportations are green or not. The customers also hate the bad news hidden behavior. These behaviors could let the company reputation got doubt from customers.

Meanwhile, the unclaimed things or claimed but unimplemented promise are the most hate things for customers, because these kind deceptive information will make customers loss or taking some kind of risks. In the advertising design period, some companies they already set the eco-aware to customers, and let them know how much benefit they can gain from this green product (ibid).

Green consumers are associated with green consumption, through the environmental protection and sustainable way to consumption. Meanwhile, green consumer are thought that energetically or voluntarily consume products that have minimal

environmental impact to satisfy their needs. (Ottman 1993; Peattie, 2001).

In China, many people pay attention on environment, but they only rely on official institutions to protect the environment, it will implicate green market. Many Chinese consumers believe environmental problems are so complex, it is hard to manage by individual, so they hope government and enterprises to improve environment. For cancel this effect, the government have to regularly emphasize that individual consumer behavior can make a difference. Consequently, government and corporates should ensure that consumers understand that their green consumer behavior will bring both environmental and financial returns. (Zhao et al., 2014).

In 2009, a survey of Consciousness of Green Consumption indicated that consumers believe green product is good for their own health occupy 41.2%. It is fashion occupy 35.4%. But only accounts for 23% think that protecting environment. According to this survey, many Chinese citizens have experience of purchasing green products, but the main buying reason is not the environmental attribute. Hence, Chinese consumers are not yet fully aware of the environmental and ecological attributes of green consumption (Sohu.com, and China Environment Federation. 2009).

According to Chan's survey that although the degree of general environmental concerns of Chinese customer is not as high as that of Greenback or True Blue Green, Sprouts will have the potential ability emerging as the most promising green consumers in China One-quarter of the survey respondents belong to Basic Browns in China. Due to their lack of concern about environmental problems, they rarely take part in any eco-friendly activities. They may as a major hinder for China in advancing its nationwide environmental movement (Chan, 2001).

According to consumers have different degrees of environmental problems, marketers can segment into different shades of green. Roper (2002) survey of consumer is divided into the five groups:

True Blue Greens (9%): For True Blues, it have strong environmental values and through themselves to try to effect positive change. They may be more than four times to avoid the company to produce without environmental protection consciousness.

Greenback Greens (6%): Greenbacks are different from the True Blues, they prefer to buy environmentally friendly products than the general consumers.

Sprouts (31%): Sprouts believe in environmental theory but little action in practice. if it need spend a lot money, sprouts will rarely buy a green product. But they have the ability to either way, if called for appropriate, it can be persuaded to buy green.

Grouzers (19%): Grouzers tend to be had no education of environmental issues and cynical own ability to achieve change. They realized that green products spend too

much and hard to perform as well as competition.

Basic Browns (33%): Basic Browns do not care about environmental and social issues. These figures show that the overall consumption occupy between 15% and 46% of the market, customer can accept a green appeal, depending on the product category and other factors. And there are social, cultural, and economic development trend, which lead to the increase of scale in the target market. A trend worth noting is the aging of the baby boomers - they are no longer concerned about the life, healthier lives is leading them to put high priority of environmental quality.

2.3.2 *Green product*

Green product is the product which could be biodegradable, and no pollution or less pollution in the manufacture process or transportation. It also including services and storage. Mifflin also think that, so much product could put the “green” word easily. Dhar and Das (n.d.) also think the green product should be including the recyclable, resource saving, green labels, green packaging and green services. Meanwhile, Charter (1992) claimed that, green product can be developed in many ways:

- Repair: By repairing the product components to extend its life;
- Recondition: Extending the life of the product through innovation;
- Remanufacture: According to an old one, produce a new product;
- Reuse: The repeated use of the product;
- Recycle: The original product as a raw material for further processing;
- Reduce: Reducing the use of raw materials and disposable waste.

(Prakash, 2002)

According to the Queensland Government (2006) pointed out that, marketers that the implementation of green marketing strategy should develop products, which is meet customer’s requirements of environmental product or more environmentally friendly products than its competitors. Under its suggestion, including products made from recycled materials, these products can be recycled or reused, or environmentally friendly packaging, marked with green, organic, rent or loan, and certification.

2.3.3 *Eco-Labeling - Voluntary Green Policy*

Ecological labels are regarded as a powerful and effective tool to produce more environmental friendly products and services, which makes easier for consumers to identify environmental products and services (Simons et al., 2001). Grundey and Zaharia (2008) mentioned that eco-labels improved the customer's trust for green products. Meanwhile, Wasik (1996) considered that eco-labelling and eco-certification as the green-message, which is a way to practically verify has been communicated to the society.

According to Souza (2004), eco-labelling is a voluntary greening policy, it has become a major marketing tool. At the same time, ecological label is becoming to gain public recognition and a strong marketing tool and affecting customers and manufacturers

(Souza, 2004). However, eco-labels have a still very small market share in the total market, they have been depend on customer's feeling about environmental issues and their effect on the environment directly (Rex and Baumann, 2007).

In 2003, the China Environmental Labelling Program was launched by Environmental Protection Administration Environmental Certification Centre (now called China Environmental United Certification Center, CEC). They had developed a set of technical standards, this plan for each category or each product. CEC increases the public environmental consciousness, promotes green consumption, and as guidance for the production of green products with environmental performance and good quality (Chen, et al. 2007; Yan and Jiang, 2007).

The China Environmental Labelling, which could assist citizen to gain more environmental awareness in the daily life by enhancing green awareness and promote green consumerism. Meanwhile, it also can help companies to reduce the non-renewable energy consumption, reduce resource waste, encouraging the development and manufacture of green product. China Environmental Label which can regard as the environmental bridge for enterprise, and it had provide enterprise sort of competitive advantages in international trade. China Environmental Labelling program already including 56 categories of green products in April, 2010. In general, the China Environmental Label already awarded to more than 2,400 enterprises (China Environmental Labelling, 2010).



Figure 1 China Environmental Labelling (source: www.greencouncil.org)

China Energy Label program was launched on March 1, 2005 which with the promulgation of "Energy Efficiency Labeling Management Approach" (Cao and Wang, 2009). National Development and Reform Commission, General Administration of Quality Supervision, Inspection and Quarantine, and Certification and Accreditation Administration of China had jointly conducted China Energy Label, which is the most important and the mandatory certification system (Peng and Wang, 2008). The aims of awarding the China Energy Label are that which can promote enterprise innovation of energy efficient technology, green consumption, and energy saving implement. The China energy label can be categorized into 4 groups that component by 15 different

types of energy consuming products. For example, the household appliances, the illumination apparatus, office equipment, etc. (Cao and Wang, 2009). The energy consuming product can divide into 5 levels by China Energy Labelling program criterion (Peng and Wang, 2008). Through the China Energy Label system, consumers can purchase the high-efficiency household appliances by themselves. Thus to promoting energy conservation.



Figure 2. China Energy Label (<http://www.energylabel.gov.cn/en/>)

2.3.4 Green price

Normally, customer will consider more about the price, either the manufacturer will pay more attention on how to decrease the cost of product to gain more profit, but the price need be flexible to fit the customer purchasing willingness Dhar and Das (n.d.).

Pricing strategies plays an important role in the green marketing strategy. In general, green product price always higher than the price of traditional product, means that there is a premium. Therefore, pricing strategy in the green marketing strategy must be combined with the degree of consumer price sensitivity and concise environment to find a balance. Customer price sensitivity is so high, the price as an important factor of customers choose between a green product and an ordinary one. For this reason, most consumers only willing to pay the premium, if product possess added value, like improving its performance, function, design and visual appeal or taste (Queensland Government, 2006).

However, Polonsky and Rosenberger (2001) considered that If the product life cycle and of all the related cost are taken into account, actually, consumer spending not much. He put forward two aspects of cost, the original sporadic spending and reduce long-term costs. Green products often requires higher initial cost, but it will be the economy in the long run.

2.3.5 Green place

Green place is part of the green marketing strategy, it requires that when providing products in the delivery process, firm can offer greener way for customers. This process includes the mode of transportation, distribution channels, location and every link from transportation for customers. Place strategy can maximize achieve and attain the value of customers. Consumers will not take the initiative to go search for green products, so marketer have to place their products as broadly as possible (Queensland Government, 2006).

Place strategy should be combined with environmental image and successful greener distribution to develop, it will bring green competitive advantage for company (Queensland Government, 2006). Bradley (1989) give some suggestions like using environmental protection vehicles, reducing product movement, using recycled or materials in the store, reducing and saving resources in the transportation. From a broader perspective, the green place strategic needs company to find the suitable green distributor, and cooperate with them (Bradley, 1989).

In general, green products can't just wait for customers to choose, but need to be more proactive in choosing an appropriate place and time to carry out a similar to self-promotion way to attract the attention of consumers Dhar and Das (n.d.).

2.3.6 Green promotion

Promotion is a way of communication which is focus on how to recommend the products you have. Promotion could accelerate the amount of customers and the potential customers. Meanwhile to let people know the products and lead they realize the product could provide their requirement. The methods of promotion are advertising, public relations and sponsorship, personal selling, direct marketing and sales promotion (Riley, 2011).

However, green promotion involves conveying information on firms' commitment to the environment, and company's efforts to consumers. In the green marketing mix, this element contains as paid advertising, public relations, sales promotions, direct marketing and promotional activities (Queensland Government, 2006).

The Queensland Government (2006) emphasized the importance thing is credibility in communicating with the consumers. It claims to be able to be reflected on the company's environment, should not be exaggerated or create expectations cannot achieve goal, but choose simple and reliable communicating channels. Ottman (2008) also considered that green communication need have a principle about "transparent", in order to ensure that consumers believe the company's green is real, meaningful.

Green promotion also is the way to promote the product, but the green product or the green way to achieve the friendly environmental economy.

2.3.7 Green brand

Brand creates four aspects value for the company. First, the good brand often can get premium from customers and dealers. Second, the stronger brand can obtain a higher market share. Third, the good brand can improve customer loyalty. Finally, the good brand can help enterprises better develop in the future (Doyle and Stern, 2006, p. 177).

According to Apaolaza Ibáñez, Forcada Sainz, and Hartmann (2005, p.10) defined green brand as “a specific set of brand attributes and benefits related to the decreased environmental influence of the brand and its perception as being environmentally sound”. “A well-implemented green brand identity should provide benefits to environmentally conscious consumers” (Hartmann et al., 2005, p.10). Inch (2011, p. 284) distinguishes green brands from other brands by “their focus on green values is a distinguishing feature of green brands”. Based on Baumann and Rex (2007) mentioned that it is very difficult for consumers to judge the effectiveness of the green brand, they always suspicion of green-washing and resist to green brands. Baumann and Rex (2007) also specified that “green brands must consider the limits of traditional eco-labeling systems that summarize technical information”. “Eco-labels might add credibility to green brands, but are unlikely to actively communicate the array of functional and emotional benefits consumers, other than the greenest, seek” (Inch, 2011, p. 284).

According to Walker and Hanson (1998), cited by Inch (2011), the marketing communication of green brand should pay attention to the quality of life, social and economic implication, waste disposal, pollution management and customer attitude and behavior. As Hartmann et al. (2005, p. 10) cited: “effective green positioning involves brand communication and differentiation based on functional attributes and emotional benefits”.

Based on Kaman (2008), so much green brands are targeting both the B2C and B2B customers. But no matter what is your definition of "green", there are no doubt which a certain number of consumers will support your product, and willing to pay for it. Meanwhile, Kaman (2008) think that the successful factors are the alternative technology, innovate technology and green principles or green culture for company.

2.3.8 Green logistics

Logistics is the integrated management of all the activities required to move products through the supply chain (Murphy et al., 1995). For a typical product this supply chain extends from a raw material source through the production and distribution system to the point of consumption and the associated reverse logistics. The logistical activities comprise freight transport, storage, inventory management, materials handling and all the related information processing (Murphy et al., 1995). The main objective of green logistics is to coordinate these activities in a way that meets customer requirements at minimum cost (Murphy et al., 1995). In the past this cost has been defined in purely monetary terms, but as concern for the environment rises, companies must take more account of the external costs of logistics associated mainly with climate change, air

pollution, noise, vibration and accidents (Murphy et al., 1995).

There are a lot ways to minimize the costs of environment in the logistics process. Such as the laundry powders and juice, which are belong to the small packages and concentrated storage products. These could reduce the transportation costs. Meanwhile, the company could switch to the short distribution chain and less warehousing services to reduce the transportation and other unnecessary waste to make the minimal pollution of environment (Solvalier, 2010)

For saving cost, reduce pollution, making differentiation and create competitive advantages, internet had plays an important role which can be an alternative distribution channel and alternative communication channel in green strategies (Solvalier, 2010).

According to Giuntini and Andel (2005), green logistics consists of 6R - recognition, recovery, review, renewal, removal and re-engineering.

2.3.9 Green marketing communication

The green marketing communication could interpreted as the way to make some kind of friendly environmental claims of company to gain more trust from customers (Ginsberg and Bloom, 2004). On the other hand, the green marketing communication also is the promotion to increase the famous for company or product.

Pujari et al. (2003) thought that the company need to find new way to increase their competitive and use green communication by internet. Nowadays, internet is the one great solution, people should not underestimated.

2.3.10 Green service

Green services are always called as eco-efficient services, and they have many various names, like eco-services, eco-efficient services, sustainable services, green services, sustainable services systems, green service systems, sustainable products-service systems, green products-service systems. Green services can enhance added value for company and customers, which can reduce total cost, create profit space, improved image (Zwan and Bhamra, 2003).

Base on Zwan and Bhamra (2003), service is the important part in economics, and the green service is no longer the kind of green packaging or original selection of some materials, but developed to more aspects, such as the green behaviors in the period of storage, transportation etc.

2.4 The green levels of corporate

The green levels of corporate is a standard of judging company green process, it reflects a company's orientation and commitment to the environment. Meanwhile, we also could say corporate environmentalism, it includes two dimensions: environmental orientation and environmental strategy (Banerjee et al., 2003). According to Prakash

(2002), "corporate environmentalism is the organizational wide recognition of the legitimacy and importance of the biophysical environment in the formulation of organization strategy, inclusion of the environmental impact of business actions in the strategic planning process, organizational communication of the corporate environmental goals, and the organization responsiveness to environmental issues."

According to the characteristics of the firm itself, industry features, regulatory force, public concern, and macro environment, corporate environmental can be divide into different levels of strategy (Charter and Polonsky, 1999):

Enterprise strategy. This strategy is the widest level of strategy, it integrates the total organization into its environment. Environmental issues can force the company to re-examine its mission and include other stakeholders, such as the public and environmental protection agencies into the enterprise strategy level. The examples of such companies are Ben-Jerry, The Body Shop, Kung Markatta.

Corporate strategy. Company considers all the tools for reaching the most important goal of a company. Socio-political and cultural factors need to be considered in this level of strategy. The fact of increasing 'green products' consumption, is the key reason for developing this kind of strategy.

Business strategy. This type of strategy involves the optimal allocation of its resources in order to achieve competitive advantage by reducing total cost (cost advantage) or by differentiation advantage or even by both manners. Company can use TQEM (Total Quality Environmental Management) in order to be eco-effective or to gain good positioning in the market.

Functional strategy. For this strategy, environmental issues may affect only functional activities, for example planning, organizing and implementing of one of several elements within the Green Marketing Mix 7P which is going to be discussed below.

2.5 The levels of green marketing strategy

Following the environmental issues, more and more customer are coming to focus on the green product which can give them the higher product quality with the healthy life, meanwhile, the green product also could preserving the environment (Ottman and Mallen, 2014).

According to Prakash (2002) the organization strategy formulation is the important which need to acceptable with the biophysical environment, also need suitable of the company strategy. One of the method which could integrated the environmental issues into the strategy planning is that the Total Quality Environmental Management which stated by Global Environmental Management Initiative (Charter and Polonsky, 1999).

In the following part, this article will sort the company into four different categories to

analysis the influence in different stages and formulate the strategy plan for different stages. The stages are the green marketing strategy starting stage, green marketing strategy processing stage and green marketing strategy mature stage.

2.5.1 Different types of Companies influence the Level of Green Marketing Strategies

According to Victoria Olausson (2009), through the different standards of company's environmental efforts, it could divide into three types of companies from low to high:

Gray companies. This kind of companies do not have any environmental behaviors, such as environmental certificate, environmental responsibility, and systematic environmental activities.

Light green companies. For this type of companies, they start to focus on environmental business activities, which are most of low level environmental activities, and they consider they have an environmental responsibility. However, like this firm of professionals working with environmental issues, which is low level's research. There are not related to company's top management group and such company also does not order by green policies neither into the long-period strategies nor within the highest level policies.

Dark green companies. This companies regard green policies as a company's core values at the highest level of corporate strategy. Professionals working with green issues usually belong to company's top management group. Green policies are regarded as company culture and that affects daily routines and long-term projects within all departments. Besides, companies within this category usually have environmental certificate for products, services or systems, developing long-term environmental marketing strategies and even introduce green innovations.

2.5.2 The three levels of the green marketing activities

Menon and Menon (1997) consider that the green marketing is the reflection of the firm's core value and strategic orientation, which is based on business principles with an entrepreneurial orientation, and in social performance principles with an environmental orientation. Meanwhile, they suggest that green marketing activities can occur at three levels:

1. **Tactical.** The tactical strategy is usually appropriate for short term and cannot guarantee whether or not impact on competitive advantage in the long time. It also appears in functional activities: e.g., saving water or resource, when companies increase their attention in less pollution and saving natural resources, and all employees and customers have to observe those tactical policies. Tactical actions typically involve limited change and limited coordination across multiple functions.

2. **Quasi-strategic.** For quasi-strategic, it appears changes in business practices. Meanwhile, those actions normally need more substantive

changes in marketing activities, and then broad-based coordination among several non-marketing activities as well. For example, hotels ask its customers to use towels for several times in order reduce total costs while using less water and less washing detergents. This strategy might increase company's image and concern in social responsibility, in short or medium period, but that is not enough while seeking to achieve long-term competitive advantage.

3. Strategic. In the strategic greening appear changes in corporate philosophy and culture: e.g., company promote renewable energy sources or products. This strategy is usually long-period strategy that may help to reducing total costs in long-run and may increase company's competitive advantage and enhancing the image.

2.6 Choosing a green strategy

Ginsberg and Bloom (2004) mention that there are four types of green strategies for both the production companies and the service companies: Lean Green, Defensive Green, Shaded Green, and Extreme Green. It will show a short description of each green strategy is following.

- *Lean Green*

According to Ginsberg and Bloom (2004), Lean greens strive to become a good corporate citizen, but they don't pay attention to the environmental protection measures to promote or sell yourself. On the contrary, they are interested in reducing costs, and improve efficiency by pro-environmental activities, so as to create a low cost competitive advantage, rather than green competitive advantages. They are usually seeking long-term preemptive solutions, and to obey the regulations, but they did not see substantial money from the green market segments. Lean greens are often reluctant to promote their green activities or green product attributes, for fear of being held to a higher standard - and not always being able to live to or from the hand of the competition to stand out from the crowd. The Coca-Cola Company can be characterized as a lean, green company.

Most consumers do not know that the company has invested a lot of money in recycling activities, modifying package (Ginsberg and Bloom, 2004). Although Coca-Cola is focus on environmental issues, in most cases, the efforts to choose not to enter the market (Ginsberg and Bloom, 2004). One of the reasons may be the company's wide range of target markets and the breadth of the brand. If Coca-Cola directly related to the environmental protection work of the overall brand, it will run its all products will be on the shelf of green risk. In addition, by promoting their green marketing, scrutiny may lead to the previously unknown other problems, Coca-Cola may do more harm than good. For Lean Greens, narrowly tying environmental issues to one brand are the safer approach, as Coca-Cola has done with its Odwaila brand.

- *Defensive Green*

As it is said by Ginsberg and Bloom (2004), Defensive Greens often use green marketing as a precaution to respond to the crisis, or a competitor's action. They seek to enhance its brand image and reduce damage, to realize they can't estranged the green market segments which are an important and useful. Their environmental initiatives may be sincere and persistent, but their efforts to promote and publicize the moves are sporadic and temporary, because they do not usually stand out from the control of green competition. Actively promotion of greenness will be a waste and will create expectations.

Defensives will pursue actions such as sponsoring smaller environmentally friendly events and programs. Defensive will continue to act, such as small environmental protection activities and programs. They will defend their environmental records with public relations and advertising efforts if they are attacked by activists, regulators or a competitor's attack. But, unless they found that they can obtain sustainable competitive advantage on The basis of green, they would not launch an open, significant green campaign. The huge clothing retailer Gap Inc. has often been cited as a socially responsible company that is concerned about the workers and customers in the gorge, Banana Republic and Old Navy stores. In terms of the environment, the company promotes energy conservation and waste reduction for a long time; the company headquarters has been described as a model of sustainable architecture. The company mentioned these activities on its web site, but it does not promote them too much outside (Ginsberg and Bloom, 2004).

- *Shaded Green*

Ginsberg and Bloom (2004) pointed out that Shaded Greens invest in long-term, the system level, it requires a lot of financial and non-financial commitment undertake the process of environmental protection. These firms see green "as an opportunity to develop innovative needs satisfying products and technologies that result in a competitive advantage." They have their own distinctive green ability, but they choose not to do so because they can make more money by emphasizing other attributes. Shaded Greens primarily provide customers' tangible benefits directly, and sell their products through mainstream channels.

Environmental benefits are promoted as a secondary factor (Ginsberg and Bloom, 2004). Today, the Toyota Prius is billed as "an environment advanced fuel-efficient hybrid." However, when the Prius was first launched in the United States market in 2000, Toyota has not played up its environmental features (Ginsberg and Bloom, 2004).

The emphasis is replaced on the fuel efficiency - consumers will spend less on gas and spend less time at the pump. In fact, the Prius reduced air pollution was just icing on the cake. This promotion works particularly well for products that have the ability to save recurring expenses; Energy-efficient appliances are another example.

- *Extreme Green*

According to Ginsberg and Bloom (2004), the overall ideas and values shape Extreme Green companies. Environmental problems are completely integrated into the company's business and product life cycle process. Usually greenness has always been the main driving force behind the company from the first day. Practices involve life-cycle pricing method, the total quality environmental management and manufacturing environment. Extreme greens often (not always) to cater the market demand, and through the boutique or professional channels to sell their products or services.

Extreme Greens is one of the most famous examples, include The Body Shop, Patagonia and Honest Tea (Ginsberg and Bloom, 2004). Honest Tea is the one of fastest-growing organic tea companies in the natural foods industry. Social responsibility is embedded in its identity and purpose, from manufacturing to marketing as explains its biodegradable bags of tea, organic ingredients and community partnerships. Honest tea brand value is based on the authenticity, integrity and purity. But relatively speaking, Honest Tea and other Extreme Greens are between few and far.

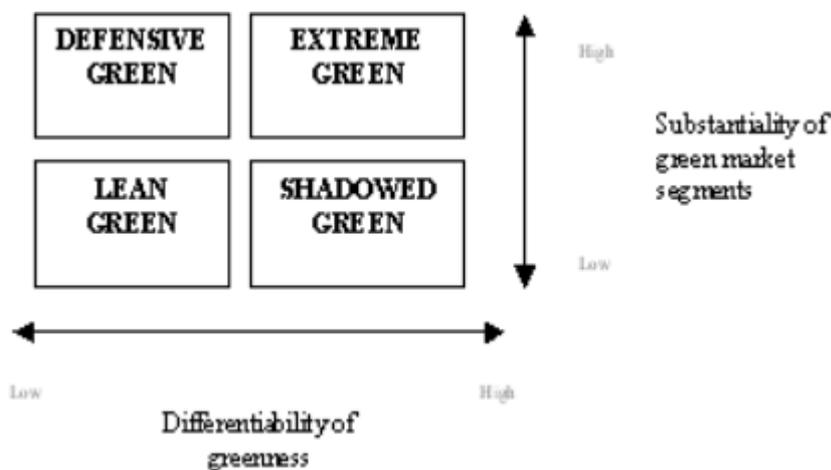


Figure 3. Matrix of green marketing strategies (Source: Ginsberg and Bloom, 2004).

Ch. 03 Methodology

There exist two types of business research: qualitative research and quantitative research (Bryman and Bell, 2007). This research study is according to the qualitative business research method to discuss, and then to emphasize the difference between the data collations and analysis. Afterwards, to provide more detailed information about the advantages and disadvantages of the function, role, and a case study as a type of business research method.

3.1 Research Approach

Qualitative research is considered to generate and develop new theories, whereas quantitative research has the aim to verify and test previous theories (Bryman and Bell, 2007). In this paper, we used two approaches, which are deductive and inductive. For a

deductive research approach, it was used when searching for the necessary literature, and finding a research gap that the other researchers have failed to develop. When searching for the topic, interesting conclusions and implications that could be derived from our study, we used an inductive research approach. We use existing theoretical model, and previous studies to enrich our knowledge on the field and to serve as support in our data collection and interview guide's construction. Meanwhile, through this knowledge to generating new theories or theoretical model, like "a source of inspiration for the discovery of patterns that bring understanding" (Alvesson and Sköldbberg, 2009, p.4).

3.2 Research strategy

In this thesis, we option the qualitative research strategy, which suits better with studying more in-depth social phenomena and facilitates the gaining of more knowledge and understanding of a particular subject (Bryman and Bell, 2007). It can be better than quantitative research at probing below the surface in order to understand what drives and motivates behavior (Holliday, 2007). The explorative and interactive features of research methods are representative of the qualitative strategy (Alvesson and Sköldbberg, 2009). For this thesis about research problem, there is a lack of theories, data, and empirical finding, we consider that the qualitative strategy will more effectively in reaching the goal of this thesis.

3.3 Case study

According to Eisenhardt (1989) recommended that case studies as a fruitful way of providing a deeper insight into conflicting literature, as well as enhancing the ability to generalize from different theoretical standpoints, which is an important goal of this study. In our case study, we will analyze the green strategies in the Emerson Electric Co., Ltd and the case study will be used as a business research method.

3.3.1 Case selection

In our topical, we mentioned that study the green marketing of international firms in China, therefore, we chose Emerson Electric Co., Ltd to research deeply. Because first, in the early 1980 s, Emerson had begun meeting environmental challenges facing customer, it provided many green, innovative solutions and products for customers in industrial, commercial, and consumer markets through its Network Power, Process Management, Industrial Automation, Climate Technologies, and Commercial and Residential Solutions. Second, China is the one of the fastest growing regions for Emerson business in the whole world, since the 2002 fiscal year, the Emerson of Chinese company has become the second large market after the United States. Third, China recognizes EMR as a "world's leading HVAC technology provider." In 2008, China contracted EMR to serve China's growing nuclear industry. At present, Emerson more than 40 legal entities, including research and development centers, in 16 cities across China including Shanghai, Beijing, Nanjing and Suzhou. Meantime, EMR is well positioned for economic uncertainty with a growing global presence in a well-diversified group of B2B and B2C markets. We think it is an excellent representative

of foreign companies to research green market in China, so we option Emerson Electric Co., Ltd to study.

3.3.2 Case study data collection

The collected data in qualitative studies may consist of primary data as interviews and observations or secondary data like documents, websites, etc. (Bryman and Bell, 2007). In this case, firstly, we had an interview with Asia Pacific Senior Technical Manager. Following this, we developed a questionnaire for interviewee, as a semi-structured interview guide, which offered the interviewee freedom and flexibility in answering (Bryman and Bell, 2007). These discussions were recorded and transcribed as these operations are helpful for the further process of analysis (Bryman and Bell, 2007). Meanwhile, we will check our literature and theoretical framework again in order to know what particular information we needed to research the study. Further we started developing the case study by gathering secondary data, which from the companies' official websites, the news and articles, which were also found on the internet and various databases.

In our research, the collection of data started with establishing a contact with the selected participants and with the construction of the interview guide. The interview guide used in the collection of data is semi-structured and follows the main sections from the theoretical framework. Considering the fact that none of the authors are in China, it was impossible to conduct a face-to-face interview. Therefore, in order to be consistent with the company, a week before the interview, we sent an email, containing the questionnaire, to the managers of the company and after a week, we conducted the interview by phone. The interviews were recorded and later transcribed.

3.3.3 Case analysis

Firstly, case descriptions will be written according to the information from various sources and personal interviews. Secondly, according to our case finding and various theoretical approaches, we will combine with them to analysis. For Emerson Electric Co, we followed the summary of the conceptual model in the conceptual framework and the questionnaire. In our case, quantitative data were employed to do a qualitative analysis (Bryman and Bell, 2007). By analyze data deeply from the company, we tried to find clearly how to improve Emerson's green marketing strategy in China, and hope this case study could help international firm, which is developing green marketing or preparing to develop.

We combined with the situation of Chinese green marketing and the green strategy of Emerson, and according to the past research scholars analysis as standard, this thesis had formulate the Figure 4 and Figure 5 to examine how Emerson did in each parts.

3.4 Validity and Reliability

As a qualitative research, in order to achieve a high degree of quality, it needs to fulfill several criteria as validity and reliability (Bryman and Bell, 2007, p.410).

One of the central issues in qualitative research is validity (also known as credibility and/or dependability) (Denzin and Lincoln, 2005). There are many different ways of establishing a validity, including member check, saturation, interviewer corroboration, peer debriefing, prolonged engagement, negative case analysis, audit ability, confirmability, bracketing, and balance (Denzin and Lincoln, 2005). The data collected from the interview is valuable and precise, as the respondent described the greenmarket of their company, but also answered researcher' questions that were related to the established framework of the research. Meanwhile, we collect data from relevant articles, websites and so on.

Ch. 04 Empirical data

Our research was based on the study of international manufacturing companies in China. Emerson is a diversified global manufacturer from USA, which had set up more than 50 enterprises in China. The empirical study part will presents the case study of the green marketing used by Emerson.

4.1 Case study of Emerson Electric Company

Emerson Electric Company's information was collected from the annual report, website and the interview.

Emerson has more than 60 branch, including 3500 factories and sales offices, distribution of more than 150 countries worldwide, more than 110000 employees now. In 2013, Emerson's global sales already achieve \$24.7 billion dollars (Emerson Annual Report, 2013).

The headquartered of Emerson established in St. Louis of United States that founded in 1800. Emerson focuses on Science and technology engineering field. In a fusion of science and technology in the field of engineering and technology, status of leaders. In industrial automation, process control, heating, ventilation and air conditioning, electronics and telecommunications, and appliance and tools on business scope to provide innovative solutions to our customers (Emerson Official Website, 2013).

In the business regions of Emerson, China is one of the fastest growing region. At the end of 2000, Emerson wholly owned, and foreign enterprises, including the world advanced technology industry, electronics industry and process industry brands have been all over China. So far, Emerson has developed more than 30 years in China. For 30 years, its sales in the Chinese market continue to improve, even during the financial crisis, the Chinese market business is still growing up. Emerson at least has more than 30 factories in China; each business brand has its own factory and R&D center (Sara Yang Bosco, Emerson Electric Asia Pacific president).

4.1.1 Green marketing

In the early 1980 s, Emerson began addressing environmental challenges facing customer. From improving energy efficiency in heating and air conditioning system of the compressor, to contribute to green data center and telecom network technology, the company's engineers conceived and developed many products and solutions, not only reduce the resource consumption, but also brings considerable benefits. Emerson's environment optimization techniques, for example, the engineers focus on high efficiency and energy saving of air-conditioning equipment, designed a new generation of compression technology and use environmentally friendly without chlorine refrigerants. Before the Chinese government making the strict requirements to environmental pollution, Emerson already applied the environmentally friendly way and strict monitoring, also limit their emissions to bring them more competitive and business opportunities, but also provides a better choice for their customers, Some technology or first research and development and application in the Chinese market and made a contract with Chinese government perfect the environmental protection project (Emerson Official Website, 2013).

The development direction of Emerson and the commitment is through the innovation technology to promote world environmental protection. From 1980, the engineers of Emerson already mastered the way to increase energy utilization rate by their special technologies. Afterwards, they had put more focus on the clean energy production to reduce carbon emission by renewable energy, such as wind power, solar energy, etc. (Emerson Official Website, 2013).

In Emerson, a new product design must comply with green legislation and consider the recycling of product and all Eco design issues for the engineering department. They must build up the green profile of Emerson to the society for marketing and sales department. For manufacturing department, they must avoid of the resource waste. Meanwhile, in daily work we are trained to use the printer as less as possible (Yang Haibo, Asia Pacific Senior Technical Manager).

So far, Emerson at least had set up 15 R&D center in China, and most of these technology are aimed at the Asian market research and development. For example, the digital vortex compressor technology is a kind of highly efficient energy-saving air conditioning technology, research and development of technology by Emerson in Suzhou, China (Sara Yang Bosco, Emerson Electric Asia Pacific president).

4.1.2 Green marketing strategy in China

According to the green development strategy of the Chinese government, the law of energy conservation and environmental protection, Emerson once again proved his worth. Because the Emerson from the start pays attention to environmental protection concept and energy-saving technologies, also they can provide to their clients more energy conservation and environmental protection products or solutions (Emerson annual report 2013).

Through its unique management process, Emerson to predict market changes. Emerson predicts market changes through its unique management process which are including six principles. One of these is the plan. Emerson will make a plan in the beginning, and then, every month they will have a new plan and review previous execution of a program is correct, and to make predictions from the execution of the plan. Every year Emerson will carry out a five-year plan review and new five-year plan for the future design. "Process management" including six main principles are: keep simplifying, pay attention to the plan, a strong follow up and control system, the organizational structure of the action oriented, optimal operation strategy, and create good for employees' self-development operating environment. "Process management" is not static, but dynamic, at first covering annual planning meeting, the independence of the subsidiary, strong financial control and other important content, then with a change of market and customers, and added new content (Emerson annual report 2013).

For the segmentation of the plan, the headquarters of the company, each regional market, each business brand, each factory, and each department has a corresponding plan below, will be according to the plan to make predictions about the future. In the end, by top management to adjust to changes in a number of major business (Emerson annual report 2013).

4.2 Macro Environmental factors in Green Marketing Strategies

World Bank and the Development Research Center of China's State Council (2012) had jointly published one report, which had researched the cost of the environmental degradation amount that in China almost 9 per cent of gross national incomes in China. Nowadays, China wants to pursue economic growth while protecting the environment, for this situation, joint efforts among the governments, businesses, and citizens are indispensable, these joint efforts seem to be the only way to achieve a nationwide sustainable (Chan, 2000).

Although China still classified as a developing country, it has been rapidly industrializing and urbanizing throughout the past two decades. However, rapidly industrializing and urbanizing lead to environmental pollution. Comparing with environmental studies of developed countries, China's green movement is still lagging behind. With increasing affluence derived from rapid economic development, Chinese government have begun to realize the hazardous impact of environmental deterioration on their happiness. This realization certainly creates new challenges and opportunities for both businessmen and policy-makers (Chan, 2000).

Emerson's President of the Asia region Sara Yang said that Emerson will be according to the relevant policies of the Chinese government to invest, according to the dynamic trend of the Chinese market, Emerson may pay more attention to health care, logistics, transportation, Education and other industries. China is a big market, Emerson's products, services and

solution plans are applicable in the emerging markets in China. So, Emerson is bound to China's environmental construction and planning a series of contribution from their products, technologies, and services (Sara Yang Bosco, Emerson Electric Asia Pacific president).

Meanwhile, Asia Pacific Senior Technical Manager, Yang Haibo considered that the most difficult thing is to understand all legislation in China and make sure that Emerson's products must comply with all environmental legislation all over the world, such as WEEE, REACH, ROHS and ERP. In addition, the customer behavior is also very important, but most Chinese family has no idea to buy greener product with a higher price (Yang Haibo, Asia Pacific Senior Technical Manager).

In the area of network power, from the electricity network to power chips, Emerson provides infrastructure equipment and solutions to satisfy the requirements of database centers around the world, telecommunication and other commercial networks. In the network part, Emerson had innovated the new technologies for clean power supply and uninterruptible power supply, also invented some equipment refrigeration to reduce the heat emission. Except these, Emerson also had created their recycling corporation to recycle some waste materials such as paper, glass, metal, etc. (Emerson Official Website, 2013).

For network energy businesses, starting in 2007 Emerson has established R&D center in Xi'an and do research in solar and wind energy in the first place. After, Emerson continues to invest every year and in September 2009 set up a new UPS (uninterruptible power supply) production facilities for Emerson network power business to provide a better service.

In 2009, Emerson had merged SSB (SSB-Antriebstechnik). It's a German company, the main production is the Pitch System of wind power. Wind turbines if not controlled, it will be dangling, so it needs to stabilize. SSB is partly in order to control the stability of wind turbines, wind turbine technology. The company has set up factories in Qingdao, China, the company 60% of sales come from the Chinese market, the merger is great help to Emerson's wind power generation. Furthermore, Emerson had merged Avocent Company in 2010 and set up some offices and sales engineers in China (Sara Yang Bosco, Emerson Electric Asia Pacific president).

Emerson also attention on the process of manufacture. So much company they focus on the green product, but they neglect the emission when the product manufacturing, but Emerson had provided the innovation technology to solve these issues (Emerson Official Website, 2013).

In 2012, Emerson has about 135,000 employees, which operating income about \$24.4 billion, and their branch company are distributed in more than 150 countries. In 2013, Emerson's global sales already achieved \$24.7 billion dollars, and the branch of

Emerson has more than 60 now, including 3500 factories and sales offices, distribution of more than 150 countries worldwide. Meanwhile, the sales for climate technologies in 2013 of Emerson were \$3.9 billion which had increased 3% than 2012 (Emerson 2013 annual report, 2014).

Sales in 2013 were \$24.7 billion, increased slightly than 2012. The underlying sales had increased 2% from the emerging market growth of 5%. The continued technology innovation and cost repositioning efforts had led the gross profit margin increased to 40.3% (Emerson annual report 2013, 2014). The emerging markets growth in 2013 are that Asia had grown 2%, U.S. keep flat, Europe decreased 3%, Latin America increased 11% and Middle East/Africa had grown 13%. Meanwhile, in emerging markets, Asia has become to the second market of Emerson (Emerson 2013 annual report, 2014).

In the business regions of Emerson, China is one of the fastest growing region. At the end of 2000, Emerson wholly owned, and foreign enterprises, including the world advanced technology industry, electronics industry and process industry brands have been all over China.

So far, Emerson has developed more than 30 years in China. For 30 years, its sales in the Chinese market continue to improve, even during the financial crisis, the Chinese market business is still growing up. Emerson at least have more than 30 factories in China, each business brand has its own factory and R&D center.

4.3 Micro Environmental factors in Green Marketing Strategies

Solving customers' problems is the passion of Emerson. "Our technologies and product innovations are designed to provide real benefits to help our customers grow, improve quality of life, and meet today's environmental challenges." (Emerson Official Website, 2013).

Emerson through the process management, industrial automation, network power, environmental optimization technology and business solutions to provide innovative solutions for customers by technology and engineering combination. Until now, China is one of the fastest growing region in the global business for Emerson business (Emerson Official Website, 2013). In addition, the company has product development innovation plan. For example, the key of Emerson is to focus on the change of the customer, including the main customers and potential customers all need to study, according to the customer's changing needs make a new plan. In the process of formulation and implementation plan, company management will be a forecast of future business development direction, and adjustments to the business.

Emerson had set their customer satisfaction survey on website every year to collect their shortage, except the website survey, they also took other pattern to collect the information in different location, such as a telephone interview and face to face interview. In China, they used all of these methods to collect information. Except the

customer satisfaction, they also create one ethics line for their employees who have the complaint, suggestion or any kind problems for their work (including the opinion of their manager) (Sandberg, 2014; Emerson network power, 2013; Emerson network power, 2009).

In one survey of China green product cognition in 2008, there were only 3.8% people could cognize all kind of green product, 33.8% people can distinguished most products, 53.8% people can distinguished green product, and 8.8% people still cannot distinguish the products green or not. Based on this situation, the green product in China seems still need a stronger distinguish label or advertising to let people know it, but Emerson never make so much advertising for their product or company, they only make one advertisement for one location and it is so simple, this strategy is more like “The Body Shop”, only show their product on real store, not the media advertisement (Searchina, 2008).

Emerson is in the initial period of development in the production of motor and fan as the core, up to now, Emerson has extended into eight major business brand. Which is the process management, network energy, the environment optimization technology, industrial automation, home appliance application technology, professional tools, storage technology and electrical technology. At the same time, and because Emerson is a predominantly innovation technology engineering company, so the core of every business will be innovative, technology, and research and development of engineering.

There is a business unit of Emerson in Nanjing, ISE. The products of this business unit belong to green products. The disposer of ISE will reduce the biological waste in landfill very obviously, which will benefit the environment. The barrier is some customer did not find the potential value of green product, conversely they consider the price as the first choice. In the further, customers will more focus on green products. That is a good challenge for us to promote the green technology in our products; Emerson will try to introduce disposer with ISE brand to Chinese market. It is very environmental friendly product. Green product is a good advantage for marketing and sales. In the introduction about some green products teach customer to understand the benefit to use green products, such as through Advertising and new product launch. Currently, Emerson also can use electronic media to replace traditional paper media. Emerson will show our green effort to our customers (Yang Haibo, Asia Pacific Senior Technical Manager).

Though Emerson's image has not won wide popularity, but reputation good in related industries. Emerson is also one of the few can for 50 years, dividends per share growth of listed companies. Emerson efforts to build up a good image of the green company through public media (Yang Haibo, Asia Pacific Senior Technical Manager). However, relative advertising, Emerson prefer a communication meeting to publicize their products, the propaganda pattern more similar to the Body Shop promotion mode. It can save the high advertising costs, at the same time; it could introduce their products

better through a practice introduce (Yang, 2012).

Moreover, Emerson has own price improvement team, The Emerson Price Improvement Team, which help Emerson's divisions reach their financial and market objectives, by providing pricing skills, tools, and project assistance which improve a division's pricing practices. Emerson could achieve optimal revenue and profitability, and as a company's business strategy to gain a goal of the process. Meanwhile, this team researched customer perceptions of product value, and bring fair value based pricing for customer is important as well (Bernstein and Macias, 2002).

Emerson possesses expertise to control and develop the company. It is known world-wide for its ability to manage the entire scope of a project that includes design, build, installation, and best in-class long-term service (Emerson Process Management, 2010). For example, Emerson's wireless technology could reduce logistic cost, improve logistics efficiency and can easily help company monitor remote inventory. Wireless technology provides components for collecting, communicating, and accessing asset-monitoring data for the company. It connects Emerson's long record of rock-solid instrument reliability with recent innovations to help reduce company replacement costs (Emerson Process Management, 2006).

For maximum the performance and reliability of the customers' solution, Emerson had provided their professional team. The service experts of Emerson they known the client system, which are understand their business, so they can assist them with operating plant safely, reliably and more efficiently (Emerson Process Management, 2010). Meanwhile, they had provided their customer to maintain the operations through the modules that named Sure Service™. Additionally, the digital technologies also can provide predictive, preventative maintenance and operations (Emerson Process Management, 2010).

Ch. 05 Analysis

This chapter will present the analysis of the empirical data, and combined with the literature, by connecting the theoretical elements of the frame of reference with the findings of the empirical study, and we divided analysis into 3 main parts: Green marketing in China, Macro environmental influences, and Micro environmental influences to answer our research questions.

5.1 International firms in Chinese green marketing

Nowadays, there are worse and worse environmental problems in China, such as Beijing, Shanghai and so on. Which seriously impact on people's lives and health. Green marketing has become the focus of enterprise innovation for environmental protection to strengthen the cognition of consumers. It will promote the company's rapid, sustainable development and gain competitive advantage. As Li (2004) considered that, in the 21st century, the green marketing's fundamental strategy is the

base in China, face to the world, broaden our thinking, build a platform, establish enterprises' green marketing strategy that match environmental protection and marketing goals, with the overall development strategy coordinated, with "green marketing" development trends and to adapt to the sustainable development in 21st century.

5.1.1 Emerson in Chinese green marketing

Greening means the development of industries should be protecting the environment as a precondition (Peltomäki and Kamppinen, 1995). In the early 1980 s, Emerson began addressing environmental challenges facing customer and started to go green. Afterwards, Emerson had put more focus on the clean energy production to reduce carbon emission by renewable energy, such as wind power, solar energy, etc.

Emerson has developed more than 30 years in China. For 30 years, its sales in the Chinese market continue to improve, even during the financial crisis, the Chinese market business is still growing up. Meanwhile, Emerson effort to green marketing in China. From a holistic view, green marketing means corporate efforts to achieve its firm goals and solve their customers' needs while trying to minimize the environmental harm (Belz and Peattie, 2009). For example, Emerson focuses on own green products and has provided the innovation technology to solve some issues, which is Waste emissions when the product manufacturing (Emerson Official Website, 2013). As Li Qingman mentioned that green marketing is companies to develop their own and maintain the society's and companies' sustainable development. At the end of 2000, Emerson wholly owned, and foreign enterprises, including the world advanced technology industry, electronics industry and process industry brands have been all over China. In Emerson annual report 2013, Chairman and Chief Executive Officer, David indicated that this year Emerson focus on evolving and improving matured into something, it's called Perfect Execution, its main purpose is employees in the company to better understand their customers and then work and think in different ways and at new levels on their behalf. Perfect Execution is structured around not just satisfying, but radically exceeding our customers' expectations as we grow and develop winning solutions together (Emerson annual report 2013). Just as Winn and Angell (2000) considered that in order to develop green marketing, company have to overcome consumer confusion and poor credibility to satisfy customer needs (Winn and Angell, 2000).

According to Kilbourne (1995) said that green marketing have a wide range, include product design, the manufacturing process, service delivery processes, packaging, recycling, and other areas such as marketing communications. Yang Haibo also mentioned that different departments need to comply different green regulations in Emerson. For example, engineering department, the design must comply with green legislation. Marketing and sales department, they must build up the green profile of Emerson to the society. Manufacturing department, they must avoid of the resource waste (Yang Haibo, Asia Pacific Senior Technical Manager).

So according to Charter and Polonsky (1999) and Victoria Olausson (2009) mentioned that Emerson as a Dark green company are operating corporate strategy. In this level, Company has to consider about Macro environmental factors, such as Socio-political, cultural factors and so on.

5.2 Macro environmental influences on Green Marketing Strategies.

5.2.1 Political

There are different levels of economic development and varying political framework conditions in the different countries (Jacob et al., 2013). In China, policy is a very important factor affecting the development of the company, which is based on some issues, government enacted relevant laws, regulations, and the related enterprise must operate under these laws (QuickMBA, 2010; PESTLE, 2014). Before the Chinese government making the strict requirements to environmental pollution, Emerson already applied the environmentally friendly way and strict monitoring, also limit their emissions to bring them more competitive and business opportunities, but also provides a better choice for their customers.

Due to Environment had been polluting, Chinese government created a climate change strategies or plans, and formulate emission reduction or other associated with climate change goals. Namely, reduction of carbon intensity by 17 % and energy intensity by 16 % by 2015; Reduction of carbon intensity by 40–45 % by 2020 (Jacob et al., 2013). Similarly, as an important part of its 12th five-year plan (2011-2015), it includes energy conservation, environmental protection industry, new energy industry and new energy automotive industry (Boyd and Copesey, 2011). According to these policies, Emerson's President of the Asia region Sara Yang had said that Emerson will be according to the relevant policies of the Chinese government to invest, according to the dynamic trend of the Chinese market, Emerson may pay more attention to health care, logistics, transportation, education and other industries (Sara Yang Bosco, Emerson Electric Asia Pacific president).

China is a big market, Emerson's products, services and solution plans are applicable in the emerging markets in China. So, Emerson is bound to China's environmental construction and planning a series of contribution from their products, technologies, and services (Sara Yang Bosco, Emerson Electric Asia Pacific president). However, the key to success is not only ability develop and carried out a strong set of environmental protection policy, but also to ensure their consistency with other policy areas, especially innovation and industrial policies (Jacob et al.,2013). So Yang mentioned that Emerson train their design engineers to consider environmental legislation compliance, such as REACH, ROHS, ERP, WEEE, Carbon Emission regulations, and throughout the whole new product design process to ensure all Emerson's product is competitive in the green market (Yang Haibo, Asia Pacific Senior Technical Manager). Nowadays, Chinese government organizations also had made a contract with Emerson perfect the environmental protection project (Emerson Official Website, 2013).

In China, policies have been promoting the corporates' innovation and industrial policies to achieve green development (Jacob et al, 2013). This factor will occur positive influence for Emerson's green marketing strategy.

5.2.2 Economical

According to the nation's economic wealth and the consumption level, the price is one important factor in consumer behaviors economic factor (Bell and Lattin, 1998). So economy will be the standard of green consumption, it has made customers more polarized. The low levels' nations only focus on the problem of food and clothing, but the high levels' nations will focus on other higher requirements, such as nature protection, ethical consumption, quality and forth (Solvalier, 2010).

Although China also as a developing country, it has been rapidly industrializing and urbanizing throughout the past twenty years. With increasing wealth derived from rapid economic development, part of people have started to feel that environmental pollution are impacting on their life (Ricky, 2002). Although most parts of China have become a high level of consumption areas, such as Beijing, Shanghai, Hangzhou, Shenzhen, and so on, compare with environmental studies of developed countries, China's green movement is still lagging behind. However, China don't give up pursuing economic growth while protecting the environment, this will lead to a "win-win" solution for all the stakeholders in the long-term (Ricky, 2002).

So it prompts Emerson to promote and to develop its green strategies.

5.2.3 Social

The social factors are the demographics factors, such as the age distribution, health consciousness, salaries, etc. (QuickMBA, 2010). It affects customer's consumption and achieves a status, acceptance, image and prestige for corporate. For example, customer buys green product, not personal desire, but try to make an impression to others. The social pressure can impact on changed consumption. Media as the most important tool to guide the social mentality. Media can interest in people, knowledge and understanding of the political cause certain influence. Meanwhile, media can cause certain influence to the purchasing power (Kenneth, 1999).

Sometimes the media and some organizations also can affect green marketing through consumers. For example, Chinese newspaper, TV, radio, internet, etc. play the environmental things and green products recently, it must affect consumers' attitude with green product and service.

Nowadays, Emerson has developed more than 30 years in China. For 30 years, its sales in the Chinese market continue to improve, even during the financial crisis, the Chinese market business is still growing up. In the business regions of Emerson, China is one of the fastest growing region and cooperate with Chinese government to improve the environment. For example, the sales for climate technologies in 2013 of Emerson were

\$3.9 billion which had increased 3% than 2012 (Emerson annual report 2013).

So, the social factor in China, which could help Emerson prompt and develop the green strategies.

5.2.4 Culture

Culture includes values and attitudes that guide the behaviors of individuals and the interaction of people within a society (Lawrence, 1997). It could impact on customer's behavior, loyalty, and satisfaction, during the stages of planning, organizing and implementing the business strategies (Czinkota and Ronkainen, 2007). In China, the behavioral or moral doctrine, which include the Five Constant Virtues: humanity, righteousness, propriety, wisdom and faithfulness (Ch'en, 1986). Meanwhile, demographical characteristics of a person, such as educations, age, and income level, etc. which also affect individual's work, consumption behavior and direction (Solvalier, 2010). In China, The per capita living standards and education quality level is higher and higher, and people pay more and more attention to environmental issues and nature. The Chinese customer's subconscious hope that companies could pay more attention to their products, services and implement environmentally friendly strategies.

So more and more firms start to make a long-term plan about green strategy to develop, rather, culture factor could help Emerson to promote and to develop its green strategies.

5.2.5 Technological

In China, green technology industry has been confirmed as an important green strategic (Jacob et al., 2013). Emerson as an advanced green technology company in the world, it will be a leading force to develop Chinese green market.

Green technology is to protect the environment, reduce pollution and make more efficiency for the industry, include energy save, resource recycling, health concerns, renewable resources, etc. (Bellis, 2014). For Emerson, as low cost provider, because it possesses a lot of green technologies in the different area (Mary, 2009). From the beginning to focus on environmental protection concept and energy-saving technologies, rather, they can provide to their clients more energy conservation and environmental protection products or solutions. For example, in the network part, starting in 2007 Emerson has established R&D center in Xi' an, and do research in solar and wind energy in the first place, which had innovated the new technologies for clean power supply and uninterruptible power supply, also invent some equipment refrigeration to reduce the heat emission (Emerson Official Website, 2013). Except, these, Emerson also had created their recycling corporation to recycle some waste materials such as paper, glass, metal, etc. (Emerson Official Website, 2013).

So, technology in China can be supported for Emerson develop its green strategies.

5.3 Micro environmental influences on Green Marketing Strategies

5.3.1 Green customer

Company's main purpose is to meet the needs of customers. For green customers, they have higher standards on their purchases, such as healthy green products, higher quality and saving money, saving time (Ottman and Mallen, 2014). Emerson efforts to acquire real benefits for customers improves quality of life and meet today's environmental challenges through technology design and product innovations in China. Meanwhile, solving customers' problems is the passion of Emerson (Emerson Official Website, 2013).

Nowadays, China is one of the fastest growing region in the global business for Emerson business (Emerson Official Website, 2013). Emerson attached great importance to the Chinese market. For example, Emerson investigates customer satisfaction from different ways every year, such as website survey, a telephone interview and face to face interview in China (Sandberg, 2014; Emerson network power, 2013; Emerson network power, 2009). In addition, Emerson always focuses on the change of the customer, including the main customers and potential customers all need to study, according to the customer's changing needs make a product development innovation plan (Emerson Official Website, 2013).

However, Chinese consumers have not fully realize about the green consumption of environmental and ecological attributes, most of the Chinese consumers have experience about purchasing green products, but the improving environment is not the essence buying motive of them. In 2009, a survey of Consciousness of Green Consumption indicated that it is good for their own health occupy 41.2%. It is a fashion occupy 35.4%. However, only accounts for 23% think protecting the environment (Sohu.com, & China Environment Federation. 2009). So real green customers are extremely limited in China, Chinese customers only focus on convenience and personal interest. They believe that environmental issues are so complex, the responsibility lies in the government and enterprise management and rely on official institutions to protect the environment and to affect the green market (Zhao et al., 2014).

Although Emerson have a lot of green products and service for Chinese customers, few customers willing to buy. According to Chan's research demonstrate that the level of general Chinese environmental concerns is not as high as Greenback Greens or True Blue Greens, and One-quarter of the survey respondents belongs to Basic Browns in China. However, most of the Chinese consumers will as Sprouts emerge in the green market (Chan, 2001). So Emerson should connect with government to make policy and regularly to emphasize that individual consumer behavior will bring benefits, as environmental and financial returns (Zhao et al., 2014).

5.3.2 Green product

Queensland Government (2006) mentioned that developing green product is the main key of the implementation of green marketing strategy, it will help customers meet

requirements of environmental product or produce more environmentally friendly products than its competitors by innovation.

Emerson is a predominantly innovation technology engineering company so the core of every business will be innovative, technology, and research and development of engineering. In China, Emerson has a business unit, ISE, which focus on green products and producing instant hot water dispensers and food waste disposal systems for home and commercial use. The disposer of ISE could obviously reduce the biological waste in landfill (Yang Haibo, Asia Pacific Senior Technical Manager). Meanwhile, Emerson had paid more attention to the clean energy production to reduce carbon emission by renewable energy in China, such as wind power, solar energy, etc. (Emerson Official Website, 2013). For example, from 2007, Emerson began to established R&D center in Xi'an, and to do research in solar and wind energy in the first place.

Meanwhile, Emerson Climate Technologies assisted Standardization Administration of China (SAC) and Chinese National Institution of Standardization to promote energy efficiency as well as the public awareness of energy labels, co-worked on a website to promote energy efficiency and conservation initiative. Further, through the energy labels and the collaboration between Emerson and the Chinese government, it can promote energy efficiency and conservation in China (Emerson Official website 2, 2014).

5.3.3 Green price

According to Sharma (2000) considered that the price of green product is higher than normal product price, and the main problem is how to persuade green customer's willing willingness to pay.

Queensland Government (2006) thought that pricing strategies plays an important role in the green marketing strategy. The Emerson Price Improvement Team, which is providing pricing skills, tools, and project assistance to help Emerson's divisions reach their financial and market objectives. Rather, as Emerson's business strategy, it could achieve optimal revenue and profitability. Meanwhile, through researching customer perceptions of product value to bring fair value based pricing for customer is important as well (Bernstein and Macias, 2002). Queensland Government (2006) mentioned that pricing strategy in the green marketing strategy must be combined with a degree of consumer price sensitivity and concise environment to find a balance. So Emerson possesses green price via own price improvement team to set.

5.3.4 Green brand

Green brand is a specific set of brand attributes, its main purpose is as being environmentally sound and reduce environmental impact (Hartmann et al., 2005, p.10). In China, Emerson's brand is not famous for customer but is famous for government. China recognizes EMR as a "world's leading HVAC technology provider." Further, China contracted EMR to serve China's growing nuclear industry in 2008 (Emerson

China Corporate Citizenship Report 2012).

Emerson's marketing has both B2B and B2C, Sara Yang thought that although Emerson's image has not won wide popularity, reputation good in related industries (Sara Yang Bosco, Emerson Electric Asia Pacific president). So Emerson should increase its influence in B2C market.

5.3.5 Green place

Queensland Government (2006) considered that the place strategy could maximize achieve and attain the value of customers. Green place requires that when providing products in the delivery process, company could operate greener way for customers. This delivery process includes distribution channels, the mode of transportation, location and every link from transportation for customers.

Emerson effort to increase their speed and flexibility in delivering solutions. For example, they helped improve customer service metrics by driving on-time delivery of popular models to almost 100 percent in Suzhou, China while reducing lead time from 15 to less than five days. Rather, they worked with clients to meet demand spikes and, importantly, to understand the spikes to inform our inventory process and strategy (Emerson annual report 2013).

5.3.6 Green logistics

The logistics include freight transport, storage, inventory management, materials handling and all the related information processing (Murphy et al., 1995). Rather, for green logistics, its main purpose is to coordinate these activities in a way that settles customer requirements at minimum cost (Murphy et al., 1995).

For Emerson, it has wireless technology help firm monitor remote inventory and improve logistics efficiency easily. Wireless settle many problems, such as components for collecting, communicating, and accessing asset-monitoring data. It helps Emerson reduce maintenance costs, so it have good green logistics.

5.3.7 Green promotion

Queensland Government (2006) mentioned that the green promotion is company efforts to advertise firms' commitment to the environment for customer via paid advertising, public relations, sales promotions, direct marketing and promotional activities.

Emerson prefers a communication meeting to publicize their products, the propaganda pattern more similar to the Body Shop promotion mode. In the introduction about some green products teach customer to understand the benefit to use green products. For example through Advertising and new product launch. Currently, we can use electronic media to replace traditional paper media (Yang Haibo, Asia Pacific Senior Technical Manager). It can save the high advertising costs, at the same time, it could introduce their products better through a practice introduce (Yang, 2012). However, it's not

enough just through simple way to advertise their products.

5.3.8 Green marketing communication

According to Ginsberg and Bloom mentioned that green marketing communication could help firm gain more trust from clients and via green products or activates to gain competitive advantage (Ginsberg and Bloom, 2004).

Emerson has a long-standing commitment, also as a promoting strategy to its corporate citizenship efforts in China via taking part in various volunteer programs to propagandize its brand, including New Great Wall program, The Project Hope education scheme, Mother Cellar water collection systems, Lifeline Express for eye patients, Sichuan and Qinghai earthquake-affected areas relief programs, and support of Beijing 2008 Olympic Games and the World Expo 2010 Shanghai. Furthermore, the company launched the “Emerson China Charitable Program”, involving the three key areas of education, health, civic and human services (Emerson China Corporate Citizenship Report 2012). Meanwhile, Emerson Climate Technologies has hosted the annual contest in air-conditioning system designs, in China for several years (Emerson Official website 2, 2014). According to Ginsberg and Bloom considered that the green marketing communication could be the promotion to improve the famous for company or product (Ginsberg and Bloom, 2004). However, Emerson only focus on promoting its company's reputation, but ignore its product promotion.

5.3.9 Green service

According to Zwan and Bhamra mentioned that green services can increase added value for company and customers, which can reduce total cost, create profit space, improved image (Zwan and Bhamra, 2003).

In Emerson, they offer entire product service process for clients includes design, build, installation, and best in-class long-term service. Emerson’s dedicated team of service, who provide the best performance and reliability solution program for customer to help them operate plant safely, reliably, and more efficiently via understand client’s systems and business. So Emerson has favorable green service.

Ch. 06 Conclusion

This chapter will answer our research questions: how to improve green marketing strategy for international firms in China? And their implications and possibilities for further research.

6.1 General Conclusion

According to our research findings, we have deduced that there are many factors affect international firms’ green marketing strategy in China, which is divided into macro environmental and micro environmental. Rather, based on the theoretical background to meet how to improve green marketing strategy for international firms in China.

Firstly, this thesis investigates that the concepts of green marketing, the different levels of green marketing strategy. Green marketing is about two factors, include macro environmental and micro environmental, it influence corporate' green marketing strategy. To understand what factors affect international firms and how to influence? Furthermore, According to the different levels of green marketing strategy to analyze which stage is it in and how to improve its green strategy into the next stage?

Secondly, this thesis focus on a qualitative data collection with the case study of Emerson. The interviews of Yang Haibo, who is Emerson Asia Pacific Senior Technical Manager, and combined with the secondary data from articles and annual report etc. to provided empirical materials.

This thesis had connected the theories with the collected empirical materials to answer this thesis' research question. At first, we analyze the situation of Emerson' green marketing strategy in China, Emerson possessed the most advanced green technology in the world and had been developing for 30 years in China. According to Charter and Polonsky (1999) and Victoria Olausson (2009) green marketing strategy models, we deduced Emerson belongs to Dark green company, and are operating its corporate strategy in China. Further, this thesis found that the macro environment emerges positive influence for international firms to operate green marketing strategy in China. According to Peattie (2010) mentioned that political, economic, social, culture, technology is the main elements to maintain economic sustainability, and influence consumption patterns and behaviors and company develop. Therefore, we have deduced macro environment will help international firms develop green marketing strategy in China (see Figure 4).

Macro environment Influence	Political	Economical	Social	Culture	Technological
Positive	√	√	√	√	√
Negative					

Figure 4. Macro environmental influence for international firms in China.

By using Marketing 7Ps models and Green strategy activities to analyze the part of micro environment. Through from different factors to analyze Emerson green marketing strategy in China, we found that due to the lack of Chinese green customers, and customer have weak environmental awareness, it lead to green marketing strategy hard to operate for Emerson. Meanwhile, although we found Emerson have good green product, green service, green place, green logistics, green price, it have not good green brand, promotion and green marketing communication for Chinese customers (see Figure 5).

Micro environment Influence	Green customer	Green product	Green price	Green brand	Green place	Green logistics	Green promotion	Green marketing communication	Green service
Good	↻	✓↻	✓↻	↻	✓↻	✓↻	↻	↻	✓↻
Normal	↻	↻	↻	✓↻	↻	↻	✓↻	✓↻	↻
Bad	✓↻	↻	↻	↻	↻	↻	↻	↻	↻

Figure 5. Micro environmental influence for international firms in China

Then according to the Ginsberg and Bloom (2004), there exist four types of green strategies for the company, include Lean Green, Defensive Green, Shaded Green, Extreme Green. According to Ginsberg and Bloom (2004), as Shaded Greens, it has long-term and systematic planning. It has the unique ability of green and through innovate new products and technologies to meet customer demands, they through mainstream channels to sell their product and provide real benefits for customers. It can be realized that Emerson has been operating Shaded Greens Strategy(see figure 3), because Emerson have unique green technology and products to meeting customer demand, and cooperate with Chinese government to make several plans to improve Chinese environment. However, Emerson focuses on promote its company image via public welfare establishments and advertisement, but promoting its products at the launching conference.

Consequently, combining with micro and macro environment influence, we considered that the macro environment will help the international company develop its green marketing strategy, but there are a lack of green customer and customers, who have a sense of green. It is the main reason, and will prevent international firms to operate green marketing strategy. Via the study of Emerson indicated that international firms have advanced products and service to execute green marketing strategy, but there is a phenomenon that the degree of propaganda is not enough for international firms and have not public support. Furthermore, according to Ricky (2000) considered that the Chinese government should through environmental education to help Chinese citizens raise their “green” knowledge, such as via TV and radio broadcasts and exhibitions. Therefore, we suggested that the important thing for international firms connect with Chinese government to improve Chinese customer’s the aware of green, and meanwhile to pay attention to promote its green products and technology. It will help the international company improve green marketing strategy in China.

6.2 Implications

For our study research, our result will bring additional value in this field, and some implications could be implicated in the further research. In the beginning, we make to the research of international firm Emerson to analyze its situation of green marketing in China. Then, we based on PEST, and other macro environment element find that there has a big advantage to develop green marketing for international firms in China. This result will make international firm possess more confidence to operate its green marketing strategy.

However, there is one reason prevent firms to develop green marketing strategy, which is Chinese customer. Emerson as a famous represent of the international firm, it has more advantage than domestic companies, such as advanced green technology, product and service, but as an international company, it should be more effort to promote green education and its own green product, if it wants to improve green marketing strategy in China. Meanwhile, the result of our study provide some advices for the international company, which is going green.

6.3 Limitations and Further Research

For this thesis, if we analysis more international companies, it could be better answered our research questions. Hence, we will use quantitative research to collect data from more companies to analysis in the future, we think it would have more persuasive.

Furthermore, the empirical analysis was based on only Manufactory Company. We suggest investigating our research questions in different international companies in China.

This thesis focus on a holistic perspective to analyze the situation of international firms in China, and how to improve its green marketing strategy. We found that the Chinese customer is the main reason prevent green marketing strategy of international firms to operate in China. Therefore, in further study, we would like to study how to improve the green awareness of Chinese customer from organization's point of view and customer's point of view to research.

Finally, this thesis analyzed green marketing strategy of international marketing in China. Due to the situation of green marketing in China is the new marketing way, it is constantly updated and evolutionary, So we suggest investigating more external influencing factors and the newest data to analyze green marketing strategy of international firms in China.

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Appendix

Questionnaire about the Green Marketing Strategies to Emerson Electric Co., Ltd

Dear Emerson Electric's professionals,

We are the students who studying Master Program in Business and Engineering school in Halmstad in Sweden. We are very interested in green issues and at the moment we are writing the master thesis about green marketing strategies about Emerson.

We have decided to take a case study about Emerson and in our thesis we would like to discuss the company's efforts in green marketing strategies in China. Please, read the questions bellow and you can answer only to those questions that you have competence in. Please, send back your answers to me by e-post until the 10th of April 2014 (latest).

Thank You very much for your kind co-operation!

1. Why does Emerson implement green strategies? You can choose few alternatives:

- To satisfy legal requirements
- To satisfy customer needs
- To save money in efficiency
- To increase image publicly
- To react to competitors' actions
- To become "green company" - a part of the whole culture of the company
- And other reasons (*please, specify*).

2. Do you have 'green plans' for the future, for example what results in Emerson's environmental friendliness shall be achieved by 2014, 2015 or 2020 and so on. If, yes, why do you do it? Why is it important? What projects exactly? Please write about them.

3. Are the same green strategies adjusted in Emerson's stores in the different cities in China? Are they different? If they are different, can you say why?

4. What are they barriers for implementing the same green strategies in China, such as Legal issues? Technical issues? Infrastructure? Customer behavior? Please, explain in more detailed way.

5. How does the company promote its green actions?

6. Do company sponsor some environmentally friendly events? If, yes, why?

7. How does the company educate its customers in green issues?

- 8. How does the company communicate its green strategies to society?**
- 9. Does any other companies had make any research about Emerson's green image and reputation?**
- 10. Does any other companies had make any research about customer's satisfaction for the green action?**
- 11. Do Emerson's employees get continuous education in green subjects, like recycling, energy saving and so on? What courses?**
- 12. Are Emerson adopted to the green strategies? Why?**
- 13. Are green issues a part of companies' culture? How does it look? Could you show some examples?**
- 14. Are the material and equipment in the stores made from the environmentally friendly material?**
- 15. Does Emerson plan in the future to have a separate net of the shops adopted just for green products?**
- 16. Does Emerson plan to introduce some innovations in green strategies? If yes, what innovation is?**
- 17. What do you do in order to reduce the marketing waste, like brochures, magazines, that consume a lot of paper and other material?**
- 18. Do you actively promote Emerson's green actions? Or maybe some green actions stay just inside and they are not know for the wide society?**
- 19. Are green issues involved into all corporate solutions and are they involved into activities all departments? Please, specify how.**
- 20. Are the green issues a part of Emerson's vision and business mission? Why?**
- 21. What green? Product or procedures, systems or both?**
 - Green products
 - Green procedures
 - Transportation
 - Energy
 - Others
- 22. What results of green policies did you notice?**

- 23. Do you have any plan of the long-term strategy in greening in China?**
- 24. Do you have any innovations planed?**
- 25. Has Emerson made a research about how the customers treat your green product and service? Any differentiation from the competitors.**
- 26. Has Emerson made a research about if the clients realize green products that have added value? If yes, what are the results?**
- 27. Are Chinese Emerson company green firm? If yes, what green program? What about in different cities?**
- 28. What about green programs, where Emerson has its stores? Do they exist? If, yes, then what? If no, then why and what are the barriers for that?**

Thank You one more time for Your greet co-operation!