

# B2B Green Marketing in Romania

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## Abstract

*This paper had as starting point a statement made in specialized media, namely, “On the Romanian market, marketing does not work”. Based on this, I attempt to identify the main “green” trends manifested at the level of marketing strategies and methods approached in the business environment in Romania.*

*The main results of the research highlight the need for a management of change, as a result of the crisis, as follows: changes in corporate objectives (from development objectives to maintenance objectives), changes in terms of market segmentation and envisaged competitive advantages, changes in market strategies and marketing mix.*

**Keywords:** *B2B marketing, change management, strategic marketing, marketing management, green marketing*

**JEL Classification:** *M31*

## Foreword

The economic crisis has determined companies to reshape strategies. Thus, the marketing strategies needed to be redesigned, in order to be able to face the major changes in the market. This is also true for the Romanian market, so it is appropriate to identify how the crisis has influenced the marketing activities of companies present on the Romanian B2B market (Business to Business) and also to identify the trends manifested in organizational behaviour change management in this sector.

The main purpose of this study was to identify changes determined by the economic crisis and also by the new ecological constraints in the marketing environment of the companies on the Romanian B2B market and their impact on the strategic approach of the marketing management.

B2B marketing is 100% relationship marketing. The relationship between partners is a long term one, being strongly influenced by the current industrial structure, network type, in which the system integrators (companies that have well-known brands, patents for technologies) coordinate a network of partner companies, covering the entire value chain of the industry. The global center company is in control of the vital functions, meaning management- marketing-research, develops international production networks by distributing the production facilities among different countries, by the technological and functional fragmentation of production,

forms of ownership fragmentation, flexibility of production processes, and global sourcing. On top of the value chain of an industry, the competition is oligopolistic, being intense at the base. The companies that compete in becoming suppliers for large companies, who control various industries, are using B2B marketing as a tool for global market research, communication, advertising etc. But their audience is restricted only to specialists.

## General Aspects of B2B Marketing Market in Romania

The B2B market is a very large one, although it is not visible and presents specific issues. Significant is the different importance of the marketing mix elements - for example, promoting the new versions launched on the market or product policy (in this respect it is very important, for instance, the policy which supports specific models). In addition, the price does no longer play a psychological role, the distribution elements are much more negotiated, promotion plays a lower role in marketing budget, and products are more complex.

In the literature, it is stated “the opportunity to shape the future of the B2B belongs to those companies which find ways to differentiate themselves from the competition, which can create special experiences and which can successfully position themselves on a market with difficult customers and with their particular needs.”<sup>1</sup>

A first step towards the differentiation of competition consists in building an original brand being able to provide confidence to potential customers, primarily based on a solid reputation. In this sense, the correct answer is provided by the formulation of a clear, motivating mission having both an outward and an inward focus, based on a specific set of values. Thus, Aneta Bogdan, Managing Partner at Brandient, provides concrete examples that can build brand credibility “by means of values relevant to the industry and inspiring for the management group, long-term and good quality partnerships, performance and professionalism, word keeping, avoiding association with negative things, by human behaviour, by the quality and credibility of the CEO's personal brand, by the quality of our expressions at the level of the design office and corporate communication.”<sup>2</sup>

The role of the Internet is another aspect that should be taken into account. This reshapes many aspects, including handling customer relationships. Different market segments require different treatments. The B2B sales models are typically more complicated, involving customers with unique requirements of business but also multiple buyers who may come from the same company. The key is the development of sales channels in a cost effective manner. By comparison, the B2C models (Business to Consumer) are more personalized and focused on specific individual needs. In this case, the key is to establish customer loyalty and repetition of the purchase.

Currently, when the Internet penetrated almost all sectors, it can be noticed that the line between the B2C models and the B2B and e-Business is not clear. The B2B buyers increasingly expect more personalized experience as B2C, while the B2C models companies appear to expand the sale models on new markets. As a result, the B2C initiatives require selling arrangements conducted in a complex manner, and setting up and structuring their capabilities in accordance with models that, traditionally, can be found in B2B e-Commerce, while the current initiatives of B2B e-Commerce include features belonging rather to the B2C offers, such as ratings, reviews and promotion.

Rapid convergence of B2C and B2B models has created a new paradigm “Business-to-

<sup>1</sup> Ordanini, A. (2006) What Drives Market Transactions in B2B Exchanges?, *Communications of the ACM*, Vol. 49 No. 4. pp. 89–93

<sup>2</sup> Ieșeanu, T., Scânteie, Fl. (2011) *Tendințe și perspective în marketing B2B*, <http://www.iaa.ro/Articole/Evenimente/Tendinte-si-perspective-in-marketing-b2b/4164.html>

Everyone” or B2E, where the rule - and not the exception - is represented by supplying customers with unique and personalized experience, with quick and easy access to the proper products and services. B2E means:

- That in a world of growing commodity production, customers base their buying decisions more frequently on a company's ability to meet their particular needs;
- Providing complete solutions, coordinated simultaneously by all stakeholders;
- Providing fair price;
- Providing access to information on critical process.

## Green Advantages in B2B Marketing

Green marketing can be seen as part of the concept of sustainability. Thus, green marketing acts as a marketing tool that aims at honest promotion and stakeholders' information regarding the company's sustainable activities (Peattie & Carta, 2003).

A successful green marketing strategy must include sustainable development in order to meet customer needs and expectations. (Carta et al., 2002).

Grant (2007) divided green marketing activities into three categories: Green, Greener and Greenest, considering them into a hierarchy with three levels: Public (companies, markets, political and cultural values), Social (identity, meaning and branding) and Personal (products and practical benefit) (Figures 1, 2).

	<b>A. Green</b>	<b>B. Greener</b>	<b>C. Greenest</b>
<b>1. Public Company &amp; Markets</b>	<i>Set an Example</i>	<i>Develop the Market</i>	<i>New Business Concepts</i>
<b>2. Social Brands &amp; Belonging</b>	<i>Credible Partners</i>	<i>Tribal Brands</i>	<i>Trojan Horse Ideas</i>
<b>3. Personal Products &amp; Habits</b>	<i>Market a Benefit</i>	<i>Change Usage</i>	<i>Challenge Consuming</i>
	Set new Standards Communicate	Share responsibility Collaborate	Support innovation Culture Reshaped

**Fig. 1.** The Green Marketing Grid-Category Headings

Source: Grant, 2007<sup>3</sup>

Product selling due to their “green” benefits can be a very productive business strategy, with many opportunities and advantages compared to traditional marketing programs. Thus, designing a green platform message sometimes causes easy diminution of the gaps in terms of what the company believes that the green benefits of the product represent. Surprisingly, however, often the most obvious benefits are not the ones that resonate most strongly with potential customers.

Several key elements can be identified in effective green marketing programs, namely:

1. Top management commitment;
2. Integration of the organic products business strategy;
3. Understanding customer desires and objectives and aligning communications of the “green” products to meet those needs;

<sup>3</sup> Grant, J. (2007) *The Green Marketing Manifesto*, John Wiley & Sons, p. 1

4. Clear communication of the features of the “green” product by certifications obtained from the third parties or through dedicated branding programs of the company. Using specific communication tools, such as profiles or eco-labels for the company's products;
5. Authenticity and credibility in green marketing efforts, supporting all requirements and complete transparency;
6. Sustainable branding is an accessory for other qualities of the brand - the idea that a “green” product is a “great” product that has sustainable attributes. The quality of a “green” product should not overshadow its original purpose.

	<b>D. Green</b>	<b>E. Greener</b>	<b>F. Greenest</b>
<b>1. Public Company &amp; Markets</b>	<i>Framing vs. Pointing</i>	<i>Educate vs. Evangelise</i>	<i>Social Production vs. Property</i>
<b>2. Social Brands &amp; Belonging</b>	<i>Eco-Labels vs. Cause Related</i>	<i>Exclusive vs. Inclusive</i>	<i>Tradition vs. New Cool</i>
<b>3. Personal Products &amp; Habits</b>	<i>Less vs. More</i>	<i>Switch vs. Cut</i>	<i>Treasure vs. Share</i>
	Set new Standards Communicate	Share responsibility Collaborate	Support innovation Culture Reshaped

**Fig. 2.** The Green Marketing Grid – Hierarchical Levels

Source: Grant, 2007<sup>4</sup>

## **B2B Green Marketing in Romania**

### **Environmental Management System (EMS)**

“The Environmental Management refers to the management of the environmental programs of an organization in a comprehensive, systematic, planned and documented manner. This system includes organizational structure, planning and resources development, implementation and enforcement of the environmental policies.” According to Green Business Index, 70% of the registered companies in Green Business Index have implemented an environmental management system (EMS). Most of them come from the service and trade sector.<sup>5</sup>

Implementing such a system offers benefits among which we can mention the following:

- The possibility of using it as a tool to improve environmental performance, providing immediate and long-term effects on products, services and its processes to the environment;
- The possibility to allocate resources, to designate responsibilities and practices, to assess procedures and processes, in that it represents a management tool of the organization;
- The focus on the continuous improvement of the system.

### **The ISO Family 14000 - Environmental Management Systems**

“The ISO 14000 family of standards cover a range of five directions for action:

- Environmental management systems
- Environmental Audit
- Evaluation of the protection of human communities against industrial activities with

<sup>4</sup> Grant, J. (2007) *The Green Marketing Manifesto*, John Wiley & Sons, p. 70

<sup>5</sup> <http://www.gbindex.ro>

negative impact

- Classification in terms of environmental policy
- Life cycle assessment of products and services

The ISO 14000 standards are general standards related to the environmental management systems designed to control the impact of the overall organization's processes upon the environment.

These standards *define models* of the environmental management systems that can be implemented by an organization for the internal or external purposes, it *provides tools* for *assessing* the environmental management system's *compliance* with the selected benchmark, *for the environmental performance assessment, preliminary analysis and the environmental assessment* of the organization's sites."<sup>6</sup>

In Romania, large companies were the first to have implemented such systems. A good example is OMV Petrom, a company operating in the oil field, a heavily polluted domain, a company that develops programs aiming to reduce the effects of fossil fuels combustion. Another example is provided by Orange Romania, which made freely available to employees bicycles for travel to and from work.

### **Determinant Factors in Adopting Green Marketing Strategies**

The interest for the environment began to be manifested in Romanian companies through social responsibility campaigns, obviously under the impulse of the multinational companies.

Programs relating to environmental protection, which began to be increasingly present in many fields, represent another determining factor for the adoption of green marketing strategies.

This has necessitated the acquisition of high-performance equipment or technology able to ensure low levels of pollution. In terms of "green marketing" we can talk here about "eco-friendly" products, reusable or recyclable packages and parts, energy saving etc.

In this regard, marketing campaigns addressed to the organizational sector must take into account this willingness of the customer to pay more for these products, which in Romania is not yet happening on a large scale. Areas where we can talk about B2B green marketing campaigns are:

- the agricultural sector, where it is envisaged the so-called organic farming - Apiprodex, Vladalex Impex, AGROEXIM Group, Ecopet, Bio-Earth, Buculei, Association City of Bucur 7 Centres, Manor Impex, Plăcerea Naturii , Senator Wine, Shalom Bio Food;
- the laundry and cleaning services, where companies which use bio-degradable or organic and natural cleaning methods, proceeded to impose on the market - Eco-Clean, Extra Clean;
- public food services sector, through the companies offering natural products using organic raw materials, certificates and special technologies;
- the manufacturing sector is the most under-represented, by several companies which use raw materials produced from recycled products - paper, mesh, glass, especially for packaging production, but also for paper products - BIAM PAPER, PAPIR ROTHERRA, etc.

In this respect, the adoption of the "Green Dot" is to be mentioned. This system involves certification, on the package, of the fact that the producer has paid taxes related to its recovery, according the European Directive on packaging waste.

At national level, in Romania, the company that is implementing this system, dealing with recovery and recycling, is ECO-ROM PACK SA, formed through the association of several prestigious companies, among them Coca-Cola, Brau-Union, Unilever Tetra Pak, PepsiCo,

<sup>6</sup> <http://standardizare.wordpress.com/2009/03/09/familia-iso-14000/>

Titan etc.<sup>7</sup>

In accordance with the assumed commitments, in 2013 every Romanian importing company or producing packaged products must get to recycle 55% of its packaging. The evolution (Table 1) is encouraging so far.

**Table 1.** The quantification of the evolution of Eco-Rom Package

<b>Evolution of Eco-Rom Package</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Number of Customers	81	297	669	917	1153	1469	1809	2301
Eco-Rom Ambalaje Licensed Package (tones)	96687	275691	523884	661022	745110	651588	617103	613178
Waste Management Companies - partners of Eco-Rom Ambalaje	17	41	82	139	168	196	190	203
Waste Package recycled through the Eco-Rom Ambalaje system (tones)	17113	64195	165802	240746	338836	320999	331781	360987
Waste package collected from households through selective collection (tones)			800	5200	12132	15231	22000	34416
Annual turnover ('000lei)	1604	5422	13604	23087	32665	34209	36325	41653

Source: [http://www.ecoromambalaje.ro/evolutia\\_ecorom.php](http://www.ecoromambalaje.ro/evolutia_ecorom.php)

According to the Chamber of Commerce and Industry of Bucharest, the Romanian average of the environmental market in 2008 was valued at approx. 30 billion - an amount that should be spent by Romania until 2013-2015, to meet the standards required by European Union regarding the environmental protection.

In this respect, the development of small and medium companies targeting the organic products designed especially for companies began to be more visible.

### **Green Marketing impact on B2B marketing strategy in Romanian companies**

Differences between environmental and financial reasons behind procurements made at the organizational level are obvious. In order that a company should establish that "green" attributes are very important for its customers, it must evaluate what makes its customers buy green products and how important are the products' "green" characteristics to them.

Implementing a green marketing strategy is not an easy task. However, it is possible for any company to implement green strategies. This requires an assessment of the entire company, including goals, objectives and available resources. A company should have a clear vision what it is in fact and what it aims to achieve by engaging in green activities. Most often, the solution is to adopt a mix of strategic several models that have an individual character to be compatible with its objectives and specific resources. The prerequisite of any successful green strategy is represented by honest communication.

Marketing strategies affect the marketing mix of a company, and this is especially obvious when it comes to using green marketing strategy. The types of product or service as well as the target consumer to whom it will be sold represent further important factors. A company must consider whether the green attributes of a product are themselves strengths or simply additional benefits, because it will affect all aspects of the marketing mix.

The green marketing activities should not be highlighted as key attributes or clearly advertised, except for the case when they would significantly increase sales, eventually leading to additional profit. However, it does not mean that the green changes should be implemented within the marketing mix. The way in which these changes are implemented will differ from

<sup>7</sup> [http://www.ecoromambalaje.ro/membrii\\_fondatori.php](http://www.ecoromambalaje.ro/membrii_fondatori.php)

company to company. Most companies take into account the environmental concerns when they consider the development of new products.

## Conclusions

A first conclusion refers to the determinant factors of the adoption of “green strategies”. Thus, we can say that generally, the Romanian companies, which have adopted such strategies, did it for two main reasons:

1. To present to the public a “greener” image in order to project it on its products - “greenwashing”;
2. To be able to cope with the environmental legislative and regulatory system which really are increasingly severe, especially when we talk about countries from Western Europe.

“In this context, it was launched the idea that sustainable economic growth (growth that is achieved through measures to allow its dissociation from the negative impact on the environment) should be judged not only by the Gross Domestic Product (GDP), but rather by the *Sustainable Domestic Product* (SIP).”<sup>8</sup>

Regarding *the influence of the green marketing on B2B Marketing strategies in Romanian companies*, we can say the following:

- The interest on these issues has begun to be manifested in marketing and communication campaigns of multinationals and of the large companies, initially, at the level of the social responsibility platform, and later through the introduction on the local market of the products considered organic;
- A further step was represented by the implementation of various environmental standards or appropriate certification of the products in companies, this trend being an increasing one;
- Although, due to the economic difficulties in the past three years, a tendency to restrict the amplitude of the involvement in the green field was manifested, though companies which have managed to act coherently in this field have obtained remarkable competitive advantages;
- An important partner of the companies involved in this area is represented by the public administration, by the Green Procurement Law, which requires clear environmental conditions in the technical specifications.

However, the Romanian companies are still innocent. Toyota could be an interesting example for them. The results of this company are among the best in this area. “The Secret” of this company is a strategy that works in *four areas*:

1. Sustainable mobility (development of cleaner and greener models);
2. Sustainable plants (direction in which the company has already achieved the targets set for 2013);
3. Sustainable logistics and
4. Sustainable supply chains.

Green marketing represents a huge challenge for B2B marketers, having an important impact. Its instruments are very visible and may represent significant emotional stimuli. In addition, marketing can easily reshape people’s behaviours and lifestyles.

“Marketers are supposedly adept at recognizing two types of challenges:

1. incremental challenges: mtce/improvements/reinforcement;
2. breakthrough challenges: step change/disruptive innovation/leap.

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<sup>8</sup> Gheorghe, I. G. (2010) Some Considerations on the Application of Okun's Law for Romania during 1999-2010, *Petroleum-Gas University of Ploiesti Bulletin*, Vol. LXII, No. 3/2010, p. 102

Green issues have a tendency to fall into the second group of the breakthrough challenges and step change so if green marketing is to be understood it must be viewed through this second lens.”<sup>9</sup>

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