EFFECTS OF GREEN MARKETING STRATEGY ON THE FINANCIAL AND NON-FINANCIAL PERFORMANCE OF FIRMS: A CONCEPTUAL PAPER

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Abstract
This is a conceptual paper to study the effects of green marketing strategy on the firms' performance. The paper aims at presenting the reviews of the literature on the green marketing strategy and analyses the seven factors that will influence the firms' performance. As green marketing strategy become increasingly more important to firms adhering to a triple-bottom line performance evaluation, the present paper seeks to better understand the role of "green marketing mix" as a marketing strategy. The conclusion that was drawn is that, green product, green price, green distribution, green promotion green people, green process, and green physical evidence have a positive effect on the firms' performance.

Keywords*:* Green marketing strategy; firm performance.

1. Introduction

As the competitive landscape is being drastically changed by the increasing concern toward environmental sustainability, firms are beginning to determine how the adoption of "green" marketing practices can benefit or harm their performance (Leonidou et al., 2013A). The increasing sensitivity of the public, strictness of regulations, and amount of pressure from stakeholders have driven professionals to consider "green" issues in their corporate decisions (Leonidou et al., 2013A; Hult, 2011). Environmental products and services, such as green vehicles, have also attracted increasing attention from customers (Kotler, 2011; Luchs et al., 2010). However, although corporate managers are beginning to include such issues in their agenda, the sustainability of their marketing strategies has been insufficiently documented in empirical studies (Cronin et al., 2011). Therefore, the effects of adopting environmental marketing practices remain relatively unknown among the managers and policy makers of contemporary firms (Chabowski et al., 2011).

Professional and academic communities have been paying an increasing amount of attention toward ecological issues since the early 1970s, during which environmental concerns have emerged for the first time in history. The grave consequences of these issues have prompted several stakeholder groups, such as customers, regulators, and the public, to continuously pressure firms to adopt sustainable practices (Leonidou et al., 2013B). Accordingly, the line that separates business firms from the biophysical environment has produced several interesting topics that have been investigated in a significant amount of literature (Leonidou and Leonidou, 2011).

Although this relatively new topic has been investigated in several valuable studies, additional research must be conducted to address the other issues that are critical to such topic (Cronin et al., 2011), particularly on how the adoption of green marketing strategies can affect the performance of firms (Leonidou et al., 2013B). The extant literature primarily focuses on manufacturing firms, whose inputs and outputs severely affect the environment (Leonidou et al., 2013B). Further studies must investigate other businesses, such as the production of clean, energy efficient, and green vehicles, which can minimize the dependence of several economies on fossil fuels and help reduce CO_2 emissions. Therefore, additional green marketing studies on the transport sector are warranted. The transportation of passengers and cargo uses approximately 20% of the global energy supply and contributes more than 20% of CO_2 emissions (Koetse and Hoen, 2014). The large increase in the number of operating vehicles has also significantly increased the local energy demand. The pollutants that are emitted from these vehicles are likewise detrimental to the environment. This case is especially prominent in the Amman-Zarqa region in the middle of Jordan, which houses approximately 60% of the total population and 70% of the urban population (Al-Ghandoor, 2013 A). Approximately 82.8% of all registered vehicles in Jordan are privately owned (Al-Ghandoor et al., 2013) and have conventional internal combustion engines. Therefore, Jordan can achieve its long-term climate goals and reduce its dependence on fossil fuels by replacing these vehicles with alternative fuel vehicles (Koetse and Hoen, 2014).

2. Conceptual Model

The hypothesized model linking the relationship between Green marketing strategy includes green product, green price, green promotion, green distribution, green people, green process, and green physical evidence with firm performance includes both financial and non-financial performance is depicted in Figure 1.

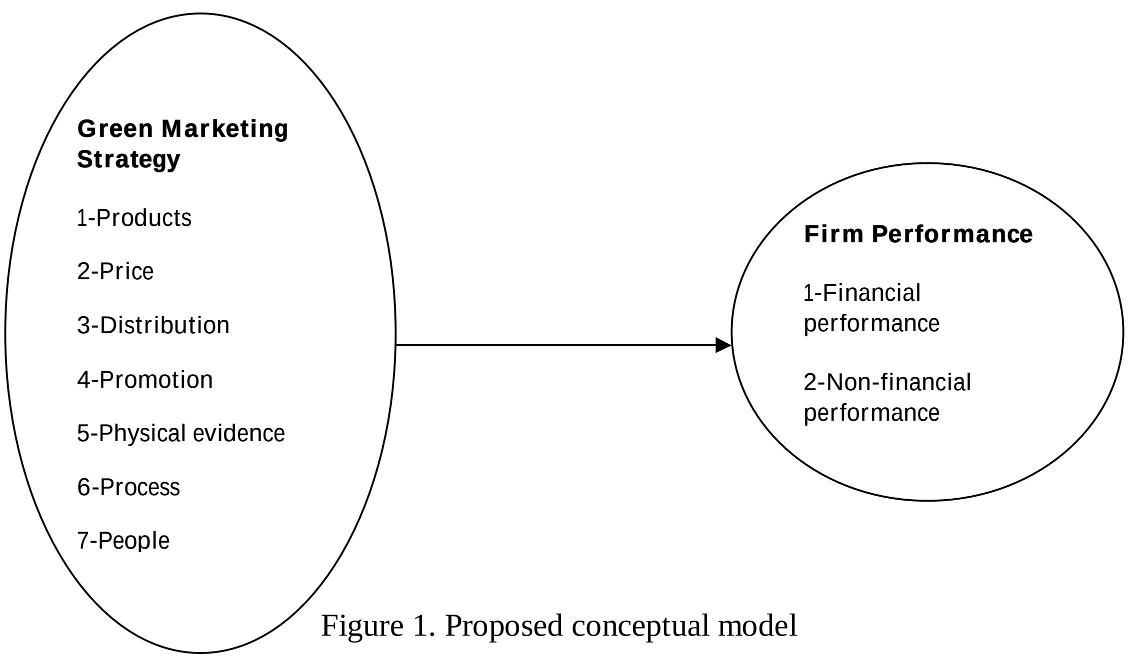

Figure 1. Proposed conceptual model

3. Green Marketing Strategy

Green marketing strategy, which denotes a set of marketing tools and elements, allows a firm to serve the target market and achieve organizational goals without harming the natural environment (Al-Salaymeh (2013). At the same time, it facilitates product sales. Active involvement in environmental protection motivates family and friends to purchase green products, thus furthering the sustainable development in the country (Gopalakrishnan and Muruganandam, 2013).

In the sustainability literature, green marketing encompasses marketing practices, policies, and procedures that take into account the natural environment concerns; these activities aim to generate revenue and provide outcomes that fulfill the product or product line objectives of both the organization and individuals. Hence, the concept of green marketing mix pertains to the elements that are designed to achieve the strategic and financial goals of a firm, particularly in terms of reducing their negative (or increasing their positive) effects on the natural environment. This concept is consistent with the view that each element of the marketing mix is created and executed in a manner that reduces the detrimental effects on the natural environment. This conceptualization of the green marketing mix is congruent with previous definitions of environmental and green marketing (Leonidou et al., 2013A).

The term "green marketing mix" emerged in 1989. The Environmental Protection Agency of the Queensland government tackled the concept of green marketing in a manner that is similar to how the "classic" marketing is defined, that is, by specifying the factors comprising the 4Ps. The agency further described green marketing as the process of "developing and promoting products and services that satisfy your customers' wants and needs for quality, performance, affordable pricing and convenience without having a detrimental impact on the environment." In effect, the agency developed the 4Ps within the green context (De Craecker and De Wulf, 2009).

The marketing mix model has been viewed in a different light as various streams of marketing emerged (i.e., services marketing, business-to-business marketing, relational marketing, and macro marketing). Thus, an extended marketing mix comprising seven Ps (i.e., product, price, promotion, place, process, physical evidence, and people) has been put forward (Booms and Bitner, 1981; Gordon, 2012).

This marketing framework developed by Booms and Bitner (1981) extends the 4Ps theory by McCarthy (1960). Mohammed and Pervaiz (1995) conducted an exploratory survey that used the 7Ps marketing mix as a generic framework. Results of a survey involving participants to the U.K. Marketing Education Group Conference in Salford (1992) and the European Marketing Academy Conference in Aarhaus, Denmark (1992) indicated a high level of dissatisfaction with the 4Ps among European academics (Larashati et al., 2012).

In the current study, the rationale for the focus on the green marketing mix is two-fold. First, a number of firms may position themselves as specialist green suppliers by identifying and targeting segments of more environmentally aware customers; however, the majority of firms are not wont to relinquish their current market positions despite growing interest in green issues. Most firms are therefore faced with the challenge of implementing their existing marketing strategies by creating and deploying marketing programs that are relatively "greener" than their previous marketing undertakings. Second, from a causal adjacency perspective, the outcomes of firm performance are more likely to be linked with the realized behaviors that are particularly evident in green marketing programs rather than with the more comprehensive environmental strategy objectives of a firm, for instance, the HSBC goal of "zero carbon footprint" and the

Wal-Mart strategy of encouraging supplier sustainability (Leonidou et al., 2013A).

Marketing mix denotes the different means through which a company brings a product or a service to the market. Responsiveness toward environmental issues is required of the marketing mix within the green marketing context. Marketing mix in the service sector is known as the “extended marketing mix.” Marketing mix is commonly known as the “4Ps framework,” which consists of product, price, place, and promotion. In the extended marketing mix, however, three additional Ps comprise the framework, namely, people, physical evidence, and process; thus, the structure is termed as the 7Ps framework. As underscored by the green marketing philosophy, each element in the marketing mix must convey “greenness” at every step of the process—from product development to product launch (Arseculeratne and Yazdanifard, 2014).
Notwithstanding the high level of dissatisfaction with the 4Ps, their framework is considered the most significant for introductory and consumer marketing alike. Meanwhile, the 7Ps framework has been highly accepted as a generic marketing mix by the respondents in the current study.

3.1 Green Product

A product could be called “green” if its production process is ecofriendly and less damaging to the environment. Every business is responsible for reducing the environmental pollution in its production process. The raw materials comprising a product must be obtained in such a way that natural resources are preserved. As previously discussed, waste management is highly essential in this aspect. Business must develop an ecofriendly design and a packaging that minimizes pollution and hazards. The sunk costs of product improvements are substantial; nevertheless, these costs are justifiable because they are likely to boost product sales. Reverse logistics (i.e., a technique in which customers return to the business used packaging, wrapping, and even the used product itself) would significantly aid in preserving the environment (Arseculeratne and Yazdanifard, 2014).
Green products emanate from product-related decisions and actions that aim to preserve or benefit the natural environment through energy and/or resource conservation as well as pollution and waste reduction. Both strategic and tactical approaches may be involved in such undertakings. The process of packaging and labeling products in an environmentally friendly manner is a tactical challenge several firms face. For instance, in France, Hewlett-Packard addressed this challenge by selling its laptops in a ready-made carrying case, thus reducing the use of disposable packaging for laptops by 97% (Belz and Peattie, 2009). Nestlé likewise confronted this challenge by reducing the size of paper labels on its bottled water brands by 30% (Ottman, 2011). In the strategic context, firms may opt to use green product design techniques, which often drive changes in the manufacturing processes. The challenge is to create new environmentally friendly products (e.g., biodegradable, recyclable) at the outset rather than adopting “end-of-pipe” solutions for existing products. SC Johnson rose to this challenge by modifying its manufacturing process and subjecting all of its products to a reformulation to eradicate the use of polybutylene terephthalate (Esty and Winston, 2009). Similarly, Nike introduced the Air Jordan XX3 shoes, which are primarily made of recycled materials and use a small amount of glue in their construction (Ottman, 2011).
The underlying principle of green products is the prevention, reduction, and elimination of the detrimental environmental effects on water, air, and soil. These products therefore represent an effective tool for resolving waste-, noise-, and ecology-related problems while producing beneficial goods and services (OECD, 2009). The development of green products aims to reduce

the environmental effects of the production, usage, and disposal of products and services; the process involves the selection of "environmental-friendly" materials, waste reduction, attainment of energy efficiency, and adoption of end-of-life strategies, among others. Sustainability is a complementary factor in the development of green products. Sustainability, which denotes the conscious minimization of the impact on the environment and increased usage of recycled materials, conveys the 6R concept of recover, reuse, recycle, redesign, reduce, and remanufacture (Tomasin et al., 2013). An increasing number of customers have expressed their environmental concerns and inclination to purchase green products as well as the willingness to pay relatively higher prices for these products (Tseng and Hung, 2013).

Key to the success of organizations is their capacity to fulfill customer needs and wants, particularly those that pertain to the environment. These organizations prioritize the satisfaction of their customers; in doing so, organizations attempt to establish a good reputation in the minds of customers via the deployment of strategies that are beneficial to both the customer and the environment. A number of organizations willingly withdraw from the market any of their products that they consider detrimental to the well-being of customers and the environment and that could jeopardize their reputation and overall status as responsible entities (Al-Salaymeh, 2013).

Green products have become increasingly significant as our global village expands and public concern for the environment increases. Within this context, companies continually design and produce greener products as well as promote these products along with their brand images by communicating their greenness to customers through various channels. "Eco-labeling" is an effective approach for informing the customers about how green the company products are. Third-party organizations typically issue eco-labels. These labels present the environmental properties of a product in a textual or graphical form, and they are found on the product itself, on the packaging, or in the manual. Green Seal, Energy Star, and WEEE (Waste Electrical and Electronic Equipment Directive) are some examples of eco-labels (Lee and Huang, 2011).

Green products come in various forms. They are recycled from former goods and then reused. These products are considered efficient—they save water, energy or gasoline, and money. Green products have less detrimental effects on the environment. They have environmentally friendly packaging and green, evidence-backed labels. Thus, companies should ensure that products meet or even exceed customer expectations and, at the same time, remain cognizant of environmental issues (Larashati et al., 2012).

The heightened ecological awareness of consumers is evident in their purchase of environmentally friendly cars, particularly petrol–electric hybrid vehicles. The Prius model of Toyota is touted as the market leader in this category of "greener cars." In 2009 to 2010, Prius outsold all of the other types of cars in Japan, a leading market for automobile trends. Notwithstanding widespread reports about quality and safety issues, sales of Prius continually grow. To respond to the high demand for petrol–electric hybrid cars, Toyota introduced in Australia a second and larger hybrid vehicle and branded it Camry. Other car manufacturers have followed the lead of Toyota via their own environmentally friendly models. This trend indicates the sustained demand for this type of light-duty passenger vehicle. The Prius is marketed by Toyota as an environmentally better alternative to conventional vehicles because it consumes less fuel and has lower emissions (Chua et al., 2010).

A number of local and international green marketing-driven firms manufacture hybrid cars to balance revenue requirements with their responsibility for reducing the environmental effects of

pollution. For instance, through the Prius, Toyota brings benefits to both consumers and the natural environment, given the ecologically sound features of the Prius, including the use of an emission-reducing gasoline, which decreases carbon dioxide and nitrogen dioxide emissions into the atmosphere. Consequently, pollution is decreased, in the process creating a positive impact on the environment. The argument is that a sufficient number of people who buy a Prius could have a large impact on global warming. Nevertheless, the gargantuan sales of this type of car are an inadequate solution to environmental problems such as global warming. Amid the escalation of fuel prices, Toyota developed Prius purportedly to save on fuel cost, and this factor can be positively construed by consumers. Consumers with particularly strong environmental concerns tend to be ecologically conscious and thus prefer hybrid cars. Hence, Prius adequately satisfies consumer demand for an eco-friendly product. Consumers consequently express immense satisfaction toward the eco-friendly product, which in turn boosts the positive judgment and reputation of Toyota and all of its products (Yan and Yazdanifard, 2014).
Leonidou et al. (2013A) demonstrated evidence of the significant performance payoffs of the manufacture of the right products and suggested the positive effect of green products on the product market performance of firms.

3.2 Green price

The process of going green is expensive in terms of installing new technology and equipment, training people, absorbing external costs, and converting waste into recycled products. These costs are inevitably integrated into the final price of a product. Green price is therefore a premium price, which further increases with the addition of the cost of promotion. These expenses must be rationalized by marketing efforts; at the same time, consumers must be encouraged to shell out a premium price. These imperative actions must be further justified through persuasive advertising messages. Nevertheless, eliminating the packaging material could decrease the prices of green products, as several businesses have experienced; these businesses consider this proposition a desirable one, especially when packaging costs constitute a huge part of the unit cost (Arseculeratne and Yazdanifard, 2014).
The practices of green pricing consider both the economic and environmental costs of production and marketing, while simultaneously providing value for customers and a fair profit for business (Martin and Schouten, 2012). From the tactical perspective, firms can undertake pricing actions, such as rebates for returning recyclable packaging and charging higher prices for environmentally unfriendly products. For instance, Coca-Cola established a “recycle bank” as a form of rewarding U.S. customers for their bottle-recycling efforts. In the United Kingdom, retailer Marks & Spencer encourages the use of environmentally friendly shopping bags by charging customers for plastic carrier bags (Belz and Peattie, 2009). From the strategic perspective, firm can deploy techniques such as life-cycle costing (e.g., incorporating product costs from research to disposal) to determine prices for products within the sustainability context. For instance, customers of the German utility E.ON (2011) have the option to purchase green electricity at higher prices to reflect the costs of sustainably generating power. Similarly, Seventh Generation sells its range of environmentally friendly household cleaners at considerably higher prices than regular alternatives to reflect the higher product costs (Dahlstrom, 2011).
The concept of price is simple, but its breadth is often met with confusion. At its most basic definition, price pertains to a group of monetary values that are replaced by the benefits and the possession or use of products or services. In this regard, customers use their monetary power to benefit from the product or service, and those who intend to obtain green products shoulder the

higher prices emanating from the additional costs [i.e., research and development (R&D)] of the production process (Al-Salaymeh, 2013).

Given the importance that people give to price, marketers must offer additional values that enhance the various aspects of the products, such as performance, function, design, and visual appeal. Consumers tend to pay the premium price when they perceive the extra value of products (e.g., green benefits) to be desirable. The prices of environmentally responsible products frequently decrease once the product life cycle is considered (Larashati et al., 2012).

The existence of a segment of customers who are willing to pay premium prices for green products allows the prevalence of green marketing approaches. Moreover, the potential gains from this customer segment provide companies with the motivation and rationale for developing green products and engaging in green operations and marketing practices, such as recycling, reusing materials, and forming alliances with green supply chains. However, the recent global economic downturn has challenged the fundamental premise of paying premium prices for environmentally friendly products, as consumers cut back on their green product purchases and opted to patronize traditional low-priced goods (Sharma and Iyer, 2012).

The realm of green cars illustrates this phenomenon. These cars are primarily designed to achieve fuel efficiencies and reduce energy consumption. Consumers typically incorporate these aspects and other environment-related concerns into their purchase decisions. For instance, would-be consumers of the new Chevrolet Volt must consider the zero-fossil fuel consumption with the price differential for this car vis-à-vis less expensive cars that produce more carbon dioxide emissions. Companies benefit the environment by implementing green marketing initiatives and ensuring that these initiatives would translate into superior value propositions for consumers (Manjunath and Manjunath, 2013). Leonidou et al. (2013A) revealed evidence of the significant performance payoffs of effective pricing practices and indicated the positive effect of green pricing on the return on assets (ROA) of firms.

3.3 Green Distribution

Green distribution denotes the selection of channels in a manner that minimizes environmental damage. Most of the damages to the environment occur during the transportation of goods. Hence, firms must implement safety precautions on the delivery of products (Arseculeratne and Yazdanifard, 2014). Green distribution programs entail activities that are related to monitoring and improving environmental performance in the demand chain of the firm (Martin and Schouten 2012). Working with channel partners to develop product reuse or disposal arrangements and ensuring that customers are able to return recyclable materials are two tactical initiatives that firms could undertake in their pursuit of green distribution. For instance, Hewlett-Packard has formed a partnership with Staples in its “authorized recycling location” program for printer ink cartridges (Matthews 2011). From the strategic perspective, firms may develop policies that require suppliers and distributors to comply with environmentally responsible standards as part of their respective marketing roles. Firms may likewise establish “eco-alliances” with channel partners to enhance the environmental effects of their joint activities, such as restructuring logistical procedures to increase their environmental efficiency (e.g., fewer and fuller cargos) (Dahlstrom, 2011). For instance, leading global consumer goods firms in the world, such as Pepsi, Nestlé, and L’Oreal, have collaborated with Tesco, one of their largest retail partners, to forge a supply chain leadership coalition; this collaboration advances strategies for reducing the carbon footprint of their supply to consumer distribution activities (Leonidou, 2013A).

Distribution is an essential activity in the marketing process and is one of the pillars of the marketing mix. Retailers and distributors serve their interests by strengthening their relationship with their clients; a two-way distribution system that is underlined by the green marketing philosophy ensures the relevance and permanence of this relationship. The recycling process underpins the two-way distribution system, which entails the recycling of the remnants of materials used (i.e., empty containers, plastic bags) to their places of production, or point of sale. Many countries adopt this system in distinct ways. For instance, specialized organizations in the United States re-collect plastic and glass containers; they have a contractual relationship with trademark-owning organizations to whom they send the pre-sorted empty containers in exchange for a certain amount of money (Al-Salaymeh, 2013).

Ascertaining the location and availability of products considerably affects the intention of firms to attract consumers. Customers are typically reluctant to exert extra efforts to simply purchase green products. Moreover, the location and the corporate image must be aligned (Larashati et al., 2012). Leonidou et al. (2013A) revealed evidence of the significant performance payoffs of adopting effective distribution practices and indicated the positive effect of green distribution on the product market performance of firms.

3.4 Green Promotion

Green marketing likewise involves promoting the material of a business. Sales promotions, direct marketing, public relations, and advertising are some of the means of conveying to the customers the core message of greenness; the latter two approaches are the most extensively used platforms for projecting the green outlook of a firm. Going green, which aims to bridge the business and the community, can sometimes require a major public relations initiative. Publicizing products and rationalizing their features and prices are two goals that green advertising could achieve (Arseculeratne and Yazdanifard, 2014). For companies, green promotion programs are an effective means of informing stakeholders about their environmental preservation efforts, commitment, and achievements (Belz and Peattie, 2009; Dahlstrom, 2011). From the tactical perspective, firms can undertake programs that are designed to reduce the detrimental environmental effects of their marketing communication efforts (Kotler, 2011). For instance, Dell uses roughly 50% recycled paper in its direct mail catalogs, and it has directly linked all of its printed promotional materials to carbon-offsetting programs (Belz and Peattie, 2009). From the strategic perspective, firms can use green promotion tactics to communicate the environmental benefits of their goods and services, such as advertising environmental claims, publicizing environmental efforts, and integrating environmental claims into product packaging. For instance, to communicate the environmental impact of its products, Timberland introduced a green index rating system (Ottman, 2011). In the United Kingdom, Procter & Gamble successfully deployed a campaign to reduce the washer temperatures of consumers, which benefitted from the technological advancements of Ariel; in the process, annual savings of 60,000 t of carbon dioxide were realized (Belz and Peattie, 2009).

Promotion is a vital element of the main green marketing mix; it refers to the communication process that aims to build a relationship with customers by informing and persuading them to purchase green products. Moreover, promotion seeks to connect the firm with its customers and transfer its orientations and environmental image to them via product- or service-related marketing messages. Promotion consists of a group of integrated elements called promotional mix elements (i.e., environmental advertisements and posters, sales and public relations

promotional activities, personal sale, and packaging), which facilitate the success of the promotional process (Al-Salaymeh, 2013).
Smart green marketers must utilize green marketing and communication tools and practices to reinforce their environmental credibility. Several companies have adopted this guideline (Larashati et al., 2012). For instance, Toyota is significantly using gas/electric hybrid technology in its product line. It is likewise making the single largest R&D investment in the hydrogen car in an attempt to promote itself as the first eco-friendly car company in the world (Dash and Das, 2012). Moreover, consumers can be directly targeted via product advertisements, such as those for the battery-powered Reva car and Toyota car (Dash and Das, 2012). Leonidou et al. (2013A) demonstrated evidence of the significant performance payoffs of effective promotional practices and indicated the positive effect of green promotion on the ROA of firms.

3.5 Green Physical Evidence

The lack of information causes most customers to become unaware of the significance of green products. Businesses can fill this void using various green promotional strategies. Customers specifically require concrete information on the capacity of green products to solve and avoid environmental problems (Arseculeratne and Yazdanifard, 2014). In other words, customers should be provided with physical evidence of the overall efficacy of greenness across the system, from the organizational operations and strategies to the products sold in the market (Larashati et al., 2012).

3.6 Green People

Consumers with a preference for green products tend to be more receptive to direct marketing channels. To establish its positive image, a firm can specifically employ public relations. Meanwhile, to identify the specific customer needs and guide consumers toward the use of environmentally friendly products, a firm must conduct market research; market research typically yields in-depth findings that other forms of direct marketing are incapable of generating (Arseculeratne and Yazdanifard, 2014). To ensure an organization-wide commitment to the green marketing philosophy, firms must provide the administrative staff and employees with both technical attributes and a strong belief in preserving the environment. Moreover, the entire workforce must have at its disposal a range of tools for advancing the principles of green marketing. The development of green products requires immense creativity. Thus, staff and employees themselves should possess the creativity to bring green products into fruition; this characteristic allows them to tailor products according to customer needs and environmental requirements (Al-Salaymeh, 2013).
Firms that profess their concern for green strategies must reflect such concern in their daily operations. Moreover, this concern should be manifest in the tasks of every employee. Employees who exhibit a green mindset and commitment must necessarily be equipped with the proper training that would allow them to perform their jobs with the quality and consistency required by a green philosophy. Firms must continually provide employees with opportunities to perform a green job and demonstrate green culture values. More importantly, firms should further increase employee awareness of greenness by conducting eco-cycle training. Employees who drive should likewise receive training in eco-driving techniques. Gathering information about the performance of competitors in the aspect of greenness and sharing this information with the organization are necessary as well (Solvalier, 2010).

People use green communication (Solvalier, 2010) to carry out the responsibility for developing green services or products. The provider must inculcate a green mindset and be adept in implementing this thinking in the daily activities (Larashati et al, 2012). By contrast, green people pertain to staff members who are educated on and involved in green matters or green corporate culture (Solvalier, 2010).

3.7 Green process

Certain adjustments to internal processes are required of companies that decide to adopt green marketing as a business strategy. A restructuring of the business process is particularly essential. Expecting the marketing function in an organization to solely effect a turnaround through green marketing is an erroneous assumption. To successfully achieve this turnaround, other functions in the organization must be actively involved, and their actions and decisions must be totally aligned. Moreover, achieving a competitive advantage entails making changes to the philosophy of the company. At the same time, strategic fit must be attained by aligning the marketing strategy with the overall business strategy (Arseculeratne and Yazdanifard, 2014).

Fundamental transformations in the production processes in the organization are an integral element of the green marketing concept. Congruence with the orientations of green marketing (i.e., green operations) are at the core of these transformations; it can be achieved by reducing the amount of consumption of used energy, cancelling defective products in the productivity process, reducing damage and loss, and resolving the depletion of natural resources. Significant changes to procedures are required in the process of presenting green products, ensuring the consistency of organizational objectives under the direction of green marketing (Al-Salaymeh, 2013).

The green processes of a company and the greenness commitment of its upper management commitment must be prioritized. A shaded green or extreme green strategy becomes viable in an organizational environment that successfully differentiates a brand in an honest, credible, and enduring manner (Solvalier, 2010). Examples of green processes include the eco-labeling of stores, eco-certifying warehouses with ISO 14000, launching the brand “I love Eco,” which is consistent with the tenets of eco-labeling, and greening the entire service life cycle, including raw materials, production, logistics, transportation, warehouses, stores, and offices (Solvalier, 2010). Process, which denotes the methodology for providing the services, demands serious attention, such that the process can be executed properly and in accordance with the principal objectives. The greenness of the entire system should be prioritized to ensure the successful implementation of a comprehensive green marketing strategy (Larashati et al., 2012).

4. Firm Performance

Performance is a critical concern for companies. The major drivers of firm performance are resources that are unique, invaluable, and difficult to imitate and replace (Holsapple and Wu, 2011). Excellent firm performance is likewise at the core of competitive advantage. A number of scholars provide similar definitions of performance, but their criteria for measuring performance vary. Therefore, the research topic of a study should determine the performance measurement index to be used (Evans and Davis, 2005). Performance evaluation is frequently used as the basis of the reward and punishment scheme in any company, and selecting the most suitable measurement index has become more important than ever. Chakravarthy (1986) cited the pitfall of traditional financial measures, such as return on equity and return on sales, that is, these measures are incapable of distinguishing the differences in performance between firms.

Moreover, traditional financial accounting measures, such as return on investment and earnings per share, can provide misleading signals with regard to continuous improvement and innovation (Kaplan et al, 1996). Germain et al. (2001) classified performance control into two types, namely, internal performance, which is related to issues such as cost, product quality, and profit level; and benchmark performance, which compares cost, quality, customer satisfaction, and operations against a standard (i.e., industry norm, practices of leaders). Current remuneration systems support the strong orientation of executive culture toward short-term financial performance measures and the obliviousness to personnel concerns (Fliaster, 2004). This situation highlights the unsuitability of financial measures based on traditional accounting practices, with emphasis on short-term indicators (i.e., profit, turnover, cash flow, and share prices), in terms of evaluating firm performance. By contrast, the increasing importance of non-financial measures, such as customers, investors, and stakeholders, has been observed (Chang Lee et al., 2005). To obtain the benefits of both financial and non-financial measures, Maltz et al. (2003) proposed five performance indexes for evaluating firm performance, namely, financial performance, market/customer, process, people development, and future. On the basis of the results of the preceding discussion, the current study integrates financial and non-financial measures for evaluating firm performance.

The marketing literature indicates the advantages of pursuing green initiatives, such as larger financial gains and market share, high levels of employee commitment, increased firm performance, and enhanced capabilities. Environmentally responsible actions likewise increase customer satisfaction and firm value and reduce threats to the company, thus increasing firm valuations. However, green promotional initiatives also yield negative stock returns. At the same time, cost savings may be obtained from green practices. Firms that reduce pollution and inputs that may cause waste would obtain cost-saving advantages. Green firms, in particular, can likewise rapidly recover their financial outlay for green efforts by achieving energy efficiency and waste reduction. For instance, DuPont invested $50 million on energy-saving undertakings in 2008 and successfully recovered this investment after only one year, thus bringing future cost-saving advantages to the firm. The benefits and positive effects of green initiatives on firm performance are indisputable, but a more in-depth understanding of the impact of green marketing strategies on firm performance should be obtained (Cronin et al., 2011).

Firms denote a collection of individuals; in many respects, firm experience the accumulation of individual problems at the corporate level. From a neoclassical economic perspective, firms are responsible for creating value for shareholders; nevertheless, more comprehensive types of performance are significant as well. The underlying principle is accurately defining the value of what is created. Marketing and management theorists suggest the development of multidimensional measures of value, such as the triple bottom line (TBL) that includes social and environmental value, in addition to financial value. The financial performance of a firm remains the principal focus. Studies that compare the performance of traditional and responsible firms continue to apply traditional financial measures rather than multidimensional TBL-type measures. The concept of increasing the financial bottom line is emphasized, thus explaining the intensifying research interest in targeting green consumers and extracting more value from them rather than solely focusing on the impact of marketing on society. An alternative view points out the transformational role of green marketing and its contribution to consumers, society, and the environment. For the environment, however, profit, sales, and other financial or marketing measures lack relevance. Polonsky (2011) argued that nature is not properly represented on corporate management boards nor is it factored into most corporate decisions.

Wanjohi et al. (2013) identified a positive relationship between environmental practices in the service industry and performance. Businesses have increasingly focused on sustainability, given the capacity of sustainable practices to strengthen reputation, boost employee morale, realize cost savings, and benefit the environment. Occasionally reviewing firm performance is essential in view of the constantly shifting environment. Mustafa et al. (2012) cited the importance of performance in the planning and control processes in a company. Previous studies have principally utilized financial performance measures in evaluating firm performance. However, both financial and non-financial measures are required in assessing firm performance due to the historical nature and rigidity of most of the financial measures (Govindarajan and Gupta, 1992; Ittner and Larcker, 1998; Mishra and Suar, 2010).

5. Conclusion

This paper extensively reviews the literature in the field of green marketing strategy and highlights that Firms that adopt green marketing strategy(green product, green price, green distribution, green promotion green people, green process, and green physical evidence) are expected to generate more profits than those firms that do not adopt such strategies. The current paper is expected to contribute to the extant body of literature that focuses on green marketing strategy, and the financial and non-financial performance of firms. Despite promotion from scholars and policy makers, several fundamental issues in green marketing, such as the relationship between green marketing strategy and firm performance, remain under investigated. The reviewed and analyzed the seven factors green product, green price, green distribution, green promotion green people, green process, and green physical evidence indicated that the green marketing strategy effect positively on the financial and non- financial performance of firms.

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