DOES CUSTOMER IDENTITY BRIDGE THE GAP BETWEEN COMPANY'S GREEN MARKET ORIENTATION AND CUSTOMER PERCEIVED VALUE PROPOSITION?

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Abstract

This conceptual paper addresses the value-action gap in green consumer behavior which implies that preference for green products does not always lead to actual purchase behavior. Based on rigorous analysis and synthesis of literature on sustainable consumption, green consumerism, identity theory and customer perceived value, it develops conceptual framework that address process through which green market orientation contributes to customer perceived value creation and develops a set of testable propositions that illustrate customer's desired self and social identities intervenes the link between firm's green market orientation and firm created utilitarian, emotional and social values perceived by target customer. In postmodern literature, consumption is highly viewed as a process of creating identity of consumers. Hence, the paper adds some novelty to green marketing literature by expanding its domain to identity construction through green consumption. However, these propositions need to be empirically tested. This conceptualization has implications for practicing marketers to craft greener marketing strategies to win competitive advantage as well as promote environmental sustainability.

Key Words: Sustainable Consumption, Green Marketing, Customer Identity, Customer Perceived Value

1. INTRODUCTION

Although marketers view green phenomenon as offering business opportunities, and a number of organizations developed and implemented long-term, proactive environmental strategies (Pujari and Wright, 2003), emerging evidence (Wong et al., 1996) suggests a curious paradox. Despite evidence to suggest that society is increasingly sympathetic towards the environment many environmental friendly products have not achieved the level of market success that would have been expected. In many consumer product categories, environmental friendly producers have achieved disappointingly low levels of market share. This is supported by the findings of recent UK surveys which indicate that, although consumers' concern with the environment continues to increase (albeit at a decreasing rate) their willingness to buy environmental friendly products has declined (Mintel, 1991; 1995). Similarly, even if real-life experience as more than 75% of consumers report that they are green and prefer environmental friendly products as reported by Saad, 2006 (cited in Cronin et. al,

2010) UNEP (2005) reports that world's green products account for less than 4% of the global market share. As stated by Amacher et al. (2004), customer preference to purchase from green organizations is well established and often revealed through increased willingness to pay for products viewed as clean, i.e., produced with environmentally friendly production or abatement technologies such as recycling and use of less polluting inputs. However, an individual concerned about the environment does not necessarily behave in a green way in general, or in their purchasing. This is known as the value-action gap.

Social Dilemma

As per the above impressions on green marketing and consumer behaviour, it is very well recognized fact that research findings regarding the effect of attitudes on planned or actual behavior have often been contradictory, inconclusive or both (Stone et al., 1995; Bech-Larsen, 1996; Eagly and Kulesa, 1997; Kalafatis et al., 1999; Schlegelmilch et al.,). However, what these studies tell is that individuals expressing high environmental consciousness or concern in response to direct questions will not necessarily act in an environmentally responsible manner in their daily lives. This nature of research findings has created an issue as to why there is an inconsistency between green attitudes and actual green behavior. In order to explain this value action gap, some scholars conceptualize this phenomenon as a *social dilemma*. They argue that most consumers, despite holding a positive attitude toward environmental conservation make purchase decisions to maximize self-interest because in their view, the costs of cooperation outweigh the uncertain utility obtained from it. Therefore*, the*

decision to buy (collective social gain) or not buy (self-interest) the green product despite positive attitude towards environmental conservation may be conceptualized as a social dilemma (Gupta and Ogden, 2009).

At present, Greener products market in developed world are passing down various phases and reaching growth phase in both services and manufacturing businesses (Bhate, 2001). Still majority of consumers do not consider the environment or sustainability as considerable factor in their purchasing decision, but the segment of consumers who consider the importance of greenness in purchasing increasing continuously (Bhate, 2001). Several researchers identify and collate the consumers behavior related to environment and sustainability under the heading of 'Green Consumerism' (Bhate, 2001; Cleveland et al, 2005; Autio et al, 2009). Bhate (2001) explain the green consumerism as set of environment concerns which affect the purchase behavior of the consumers. Cleveland et al (2005) further expands this idea of environment concerns in purchasing to the level of "Green Guilt". According to him Green guilt is the concern of consumers about the damage created to the environment by purchasing, consuming and disposing the particular product. Increased awareness and education about pollution, environment hazards created by conspicuous consumption practices, evidence of the consequences of wasteful consumption and natural resource depletion increasingly create "green guilt" among European and US consumers (Autio et al, 2009). This guilt is also fueled by the continuous marketing communication efforts of the green marketers whom remind the responsibility of the consumer to purchase environment friendly alternatives

(Pattie & Crane, 2006). In most cases, consumer's willingness of developed world to pay premium for better environment conserving product is due to this guilt (Bhate, 2001). Autio et al (2009) in their narrative study of the green consumers pictured this very clearly by the words of a young Finland consumer.

"Environment friendly consumption has become the behavior norm for educated and conscious people, but nevertheless there remain challenges for those aiming to influence consumer behavior in future"

Resolving Value-Action Gap and Social Dilemma

On this background, the paper conceptually looks at ***the motivation for environmental behaviour patterns, cantered on the individual cost-benefit analysis inherent in human decision-making. As behavioural choices imply costs but can deliver benefits, the consumer will behave in an environmentally sound manner if green products seem likely to deliver sufficient benefit to make up for the higher price of green products, or the inconveniences involved in recycling or saving energy. Thus, the paper mainly focuses on analyzing the individual benefits inherent in green forms of social behaviour***. From the corporate point of view, the environmental protection is a vital management function, it is perceived as being instrumental in the generating customer value and benefits including a positive corporate image and an important element to the success of a business enterprise. Firms expect green strategies would lead to success in their business endeavours both economically and socially. From, a marketing paradigm, it is a way to value creation in the eyes of customers and stakeholders of firms. Many firms are interested and show positive attitudes towards going green at the present as well as the future years to come. There is little research on how variables, contingencies, and mechanisms related to corporate greenness drive value creation in marketing specially from the point of customers' and stakeholders' views.

2. PURPOSE AND METHOD

The major purpose of the paper is to conceptually explain the mechanism that green market orientation leads to customer perceived value. It mainly focuses on customer identity perspective of green consumption as a major dimension of deriving individual benefits of consumption behavior. Hence, the paper conceptually links green market orientation to customer perceived value through customer identity construction process. It provides a way to explain the value action gap in green consumer behavior and develops some testable propositions to through the conceptual model.

The paper bases its conceptualization on literature review of past research studies related to sustainable consumption, eco / green marketing, identity theory and customer value available in the last two decades. It has extensively and rigorously analyzed and synthesized literature for developing propositions related to major constructs of interest.

3. ANALYSIS AND SYNTHESIS OF THEORETICAL LITERATURE ON SUSTAINABILITY, GREEN MARKETING, IDENTITY THEORY AND CUSTOMER VALUE

3.1. TOWARDS GREEN MARKETING AND ETHICAL MARKETING PHILOSOPHIES FROM TRADITIONAL MARKETING PHILOSOPHY

Marketing philosophy which focuses on exchanges intended to satisfy human needs or wants while achieving organizational goals, has been a foundation of corporate marketing strategy since the middle of the last century. However, with the increasing social and environmental deterioration, there has been a need for a broader conceptualization of marketing philosophy and a new corporate marketing model is that take into account the concept of sustainable development. A sustainable approach to consumption and production involves enjoying a standard of living today which is not at the expense of the standard of living that can be enjoyed by future generations. Taking a macro marketing perspective, the new conceptualization proposes the use of three key sustainable development objectives in corporate marketing strategy; economic, social, and ecological sustainability. In response to this the traditional marketing philosophy has been extended as environmental / green marketing philosophy. Coddington (1993) defines *green marketing as "business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment" (p. 3). Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment* (Stanton and Futrell, 1987).

The green marketing concept stresses marketing avoiding products that are likely to "endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consuming a disproportionate amount of energy; causing unnecessary waste; using materials derived from threatened species or environments; involving unnecessary use – or cruelty to animals; adversely affecting other countries" (Elkington and Hailes, 1989). Sustainability is at the nucleus of the green marketing philosophy (Charter, 1992), and also lies at the core of the ethical marketing concept. The ethical marketing adheres to these principles, but is also concerned about the people aspect of manufacture, use and disposal.

3.2. GREEN MARKETING AS A WAY OF SUSTAINABILITY

Sustainability is the keystone of the green marketing philosophy. A sustainable approach to consumption and production involves enjoying a material standard of living today, which is not at the expense of the standard of living of future generations. In accordance with this, nowadays, the concept of "green marketing" is becoming more and more popular. It began in Europe in the early 1980s when specific products were identified as being harmful to the earth's atmosphere. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and environmentally friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even

services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

The American Marketing Association (AMA) defined the green marketing as: the study of the positive and negative aspects of marketing activities on pollution, energy depletion and no energy resource depletion. This definition has three key components: 1) it is a subset of the overall marketing activity; 2) it examines both the positive and negative activities; and 3) a narrow range of environmental issues are examined. It ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. Mankind has unlimited wants while limited recourses on the earth. Green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives

3.3.   WHO ARE GREEN CONSUMERS?

According to a 2008 report by Nielsen, one in five US consumers are passionate and environmentally-socially-responsible stewards (reported in Kreidler and Mathews, 2009). The report states that organic labeled products represent more than $4.4 billion in sales in grocery, drug, and mass merchandiser stores,

excluding Wal-Mart. These findings are reflected in the study by Yankelovich (2008) that suggested 22 percent of all consumers feel they can make a difference when it comes to the environment (Kreidler and Mathews, 2009). As the notion of buying green becomes more of a mainstream ideology, and with such significant numbers of consumers willing to purchase products that are environmentally friendly, it is no surprise that marketers, managers and researchers are interested in tapping into this segment. As a result, several studies have focused attention on better defining this consumer group. This consumer segment has demonstrated that it is by no means a homogenous group. In fact, several studies have demonstrated that consumers of environmentally friendly products/services do not all see green in the same way (Kreidler and Mathews, 2009). Some customers will only buy certain green products while other customers are obsessed with green shopping for every product from ice cream to clothing. In the academic arena, most of the current literature on green consumerism uses socio-demographic variables to classify the various consumer segments (Peattie, 2001), while the popular press has classified green consumerism more along the lines of benefits sought. The body of work in academia on green segmentation has yielded mixed responses and although the general consensus is that the typical green consumer is an affluent, educated, liberal female who lives in a city, with children in elementary school (Ottman, 1993), there is still a significant amount of debate in the literature as to characteristics of a ''typical'' green consumer. The work of Eagly (1987) suggests that women tend to evaluate the impact of their actions on others and as such are more likely to be environmentally conscious. Several other authors

have not been able to find a significant relationship between gender and green behavior (e.g., Arbuthnot, 1977; Brooker, 1976; Samdahl and Robertson, 1989; Tognacci et al., 1972) (cited in Kreidler and Mathews, 2009). The findings are mixed on the effect of income and education on environmental awareness. Kreidler and Mathews (2009) report that some studies confirm a significant direct effect of these variables on green behavior (e.g., Anderson and Cunningham, 1972; Roberts and Bacon, 1997), while others counter these findings with non-significant effects (e.g., Anderson et al., 1974; Antil, 1978; Van Liere and Dunlap, 1981). With such a diverse set of findings, researchers agree to disagree. Despite the varying results when using socio-demographic variables to identify green consumers, some agreement does occur in the literature. Most researchers agree that psychographic variables are more predictive of environmental consciousness and green consumer behavior than socio-demographic variables (Roberts, 1996; Schlegelmilch et al., 1996) (cited in Kreidler and Mathews, 2009). Several studies using both demographic and psychographic variables to explain green purchasing behavior consistently found higher predictive and explanatory power with psychographic variables (e.g., Roberts, 1996; Schlegelmilch et al., 1996). According to Kreidler and Mathews (2009) review of the existing body of work in this area includes examining the role of perceived consumer effectiveness (Antil, 1978; Berger and Corbin, 1992; Roberts and Bacon, 1997; Webster, 1975), political orientation (Hine and Gifford, 1991), altruism (Stern et al., 1993), and environmental concern (Antil, 1983; Kinnear et al., 1974; Roberts and Bacon, 1997; Van Liere and Dunlap, 1981) on green purchasing behavior.

3.4. CONSUMPTION AS IDENTITY CONSTRUCTION

An important strand in the sociological/cultural literature on consumption concerns the way in which consumption can become a means to help construct (and communicate) a person's psychological and social identity. Further, Consumption is viewed as a means for hedonism in post modern thinking.

Identity Theory

The meaning of "identity" is ubiquitous in contemporary social science, cutting across psychoanalysis, psychology, political science, sociology, and history (Stryker and Burke, 2000). The common usage of the term identity, however, contradicts the considerable variability in both its conceptual meanings and its theoretical role. (Stryker and Burke (2000) state even when consideration is restricted to sociology and social psychology, variation is still considerable.' Three relatively distinct usages exist. Some use identity to refer essentially to the culture of a people; indeed they draw no distinction between identities and, for example, ethnicity (Calhoun 1994). Thus, they obscure the theoretical purpose of its introduction. Others use identity to refer to common identification with a collectivity or social category, as in social identity theory (Tajfel 1982) or in contemporary work on social movements, thus creating a common culture among participants (Snow and Oliver 1995) (cited in Stryker and Burke, 2000). Finally, some use the term, with reference to parts of a self, in Cerulo (1997), or the more limited treatment composed of the meanings that persons attach to the multiple roles they typically play in highly differentiated contemporary societies.

Identity theory has evolved in two somewhat different but closely related directions. Both are instantiations of a theoretical and research program labeled structural symbolic interactionism (Stryker and Burke, 2000), whose goal is to understand and explain how social structures affect self and how self affects social behaviors. The first aspect, however, concentrates on examining how social structures affect the structure of self and how structure of the self influences social behavior, whereas the second concentrates on the internal dynamics of self-processes as these affect social behavior. Thus, relatively speaking, the first neglects internal dynamics of self- processes, while the second neglects ways in which external social structures impinge on the internal processes. According to Stryker and Burke (2000) the first is represented by work of Stryker and colleagues (e.g., Stryker 1980; Stryker and Serpe 1982), the second by work of Burke and colleagues (e.g., Burke 1991; Burke and Reitzes 1991; Burke and Stets 1999).

Self- Identity through Consumption

Self-identity in modernity is seen as less fixed and given than in premodern society and hence becomes a reflexively organized endeavor and a task of negotiating lifestyle choices between different options (Giddens 1991), a task in which consumption can play a major role. While special and cherished objects have always formed part of humans' identity (Belk 1988), it is the particular characteristic of consumer societies that any kind of object may be imbued with meaning and used for the construction of identity and self-image (Featherstone 1991; Baudrillard 1997). Consumers do not establish profound relationships with such mundane products but use them in highly visible ways, conscious of the

inferences that others will draw from them (Gabriel and Lang 1995). Whether the proliferation of consumer goods means that identities are no longer scarce and can be discarded and replaced at will, as Bauman (1988) seems to argue, or that such overabundance just makes the quest for unique and authentic identities more difficult, as Gabriel and Lang (1995) would have it, remains open to debate.

Social Identity through Consumption

Connected to the notion of constructing identities through consumption is the communicative and social function of consumption. A large proportion of consumption activities take place in social units, most frequently the family, but also within circles of friends, work groups, and other social settings. Shopping and consumption are therefore frequently done in the presence of others, or with them in mind. As cited in Schaefer and Crane (2005), shopping in this sense can be seen as a labor of love (Miller 1998). Consumption thus (Schaefer and Crane, 2005) becomes a code or a language through which status and taste (Veblen, 1899, p.925; Bourdieu 1984), self-identities, and social relationships in general are expressed (Douglas and Isherwood 1978). When looking at consumption from this perspective, it is not the use or exchange value of commodities that becomes the focus of consumers' attention but their sign value, which, according to Baudrillard (1997), is now the chief value that most consumer goods have. It should perhaps be noted that the social and cultural aspects of consumption are not new phenomena but have probably always existed. Dixon (2001), in the pages of this journal, provides an account of conspicuous consumption gleaned from the diary of Samuel Pepys, in seventeenth century

England, which is no less complex or ostentatious than anything observable in our own times. As Holbrook (2000) notes, what has changed is the understanding that marketing academia has of consumption, which has only taken on board these cultural and social aspects rather more recently.

3.5. RELATING CONSUMER IDENTITY CONSTRUCTION TO GREEN CONSUMERISM THROUGH THE NOTION OF SUSTAINABLE CONSUMPTION

The social and cultural notions of consumption outlined above have so far not been linked very strongly to discussions of sustainability and green marketing. This seems, at first, a bit surprising, given that they have generated such a rich and varied literature in general. Some authors have looked at the phenomenon of consumer society and consumer culture from a more systemic perspective and have shown a number of important and generally problematic implications that this has for the project of sustainability in consumption and marketing. Notable in this respect are Kilbourne, McDonagh, and Prothero (1997) and Kilbourne's (1998) work on the dominant social paradigm, Prothero and Fitchett's (2000) attempt to integrate environmental issues into green commodity discourse, and Dolan's (2002) critique of the very concept of sustainable consumption. However, in general, relatively little work seems to have been done that takes the above conceptualizations as a starting point for theoretical or empirical investigations into sustainability and consumption.

3.6. CUSTOMER PERCEIVED VALUE

Customer value is a key concept in marketing strategy because it addresses "what they [customers] want and believe they get from buying and using a seller's product" (Woodruff, 1997, p. 140). Creating and delivering customer value is precondition for service marketers to survive in today's competitive marketplace. Many hospitality customers are looking for more than simply fair prices and convenience, the cornerstones of utilitarian value. Marketers who understand the multiplicity of motives of hospitality customers have the best possibilities to create value for their customers. *Rintamaki, Kanto, Kuusela and Spence (2006) argue that instead of defining motivation to attend a hotel only as a function of buying, the role of hedonic / emotional and social motives of attending a hotel should also be recognized (Holbrook and Hirschman, 1982; Sheth, 1983; Tauber, 1972; Westbrook and Black, 1985).*

Rintamaki, Kanto, Kuusela and Spence (2006) report that a hierarchical structure of customer value may be represented by using a means-end chain (Woodruff, 1997; Zeithaml, 1988). Product attributes represent the lowest level in the customer value hierarchy. These attributes may be concrete or abstract, positive or negative. The extent to which these bundles of attributes are meaningful, i.e. perceived as benefits or sacrifices, depends on the customer's subjective goals and purposes. Goals and purposes represent the highest level of the customer value hierarchy. It is assumed that customer value stems from attributes and consequences that contribute to customer's instrumental goals and purposes (e.g. monetary savings and convenience) as well as those that are meaningful ends in themselves

(e.g. to some, tour is an adventure and/or social outing). The hotel experience, therefore, generates a variety of concrete and abstract benefits and sacrifices that contribute to total customer value that goes beyond the mere acquisition of physical products or core services.

Given the importance of customer value to marketers, it is not surprising that there is an abundance of definitions and conceptualizations of value that depend both on the context of the study and the methodology and measurement techniques used. Conceptualizing value as a simple ratio of quality and price (Gale, 1994) has been turned into a rich description of intrinsic and extrinsic benefits. Among these are instrumental (functional and cognitive) and non-instrumental (experiential and affective) benefits and sacrifices (Chandon et al., 2000; Csikszentmihalyi, 2000). Rintamaki, Kanto, Kuusela and Spence (2006) state that Holbrook (1994, 1999) defines customer value as interactive between a subject (customer) and an object (product). In addition, customer value is relativistic because it involves preferences among objects, it varies among people, and it is specific to the context. Value is, therefore, comparative, personal and situational. Further, value is the outcome of an evaluative judgment and thus preferential. Holbrook notes that value (singular) as an outcome differs from values (plural) that are used as standards, rules, criteria, norms, goals or ideals for the evaluative judgment 9 cited in Rintamaki, Kanto, Kuusela and Spence 2006).

3.7. VALUE PROPOSITION OF GREEN BUYER BEHAVIOUR

Studies found that consumer categorization of green purchase and their subsequent perception

of value corresponds to three of the value drivers identified by Sheth et al. (1991). First is emotional value (i.e., the "warm glow") that is received when a consumer makes a purchase with a social or environmental attribute. Second, social value can accrue from purchases from firms active in green promotion since people make judgments about others based on the purchases they make (Yoon et al., 2006). The third source of value relevant to green is functional value – aspects of green that relate to the direct benefit the consumer receives from the product or service. These sources of value are highly predictive of consumer behavior, explaining behaviors as encompassing as product category usage, brand preferences, and interest in specific product features (Sheth et al., 1991).

3.8. CONSUMERS' VALUE PROPOSITION AND IDENTITY CONSTRUCTION THROUGH CONSUMPTION BEHAVIOUR

A postmodernist claim is that self-identity is no longer a matter of social ascription but individual choice. It is a short step from this to arguing that people take their self-identity from their possessions or at least their social self (Belk, 1988) (cited in O'Shaughnessy and O'Shaughnessy, 2002. This is a position well defended by Dittmar (1992), drawing on extensive social science findings. According to O'Shaughnessy and O'Shaughnessy (2002) the movement is from ascribed to personally achieved identity (Belk, 1984). Dittmar views possessions as material symbols of identity; as expressive symbols of identity and as reflections of identity in terms of gender, and social-material status. This view of possessions and self-identity connects to positional goods, as both are quoted

to explain a move away from assembly-line mass production to niche marketing.

There would be something wrong with society, if the whole of a person's self-identity were defined by his or her possessions. But it is a parochial view to equate self-identity with possessions. Self includes a life history (Schiffer, 1998). Many other factors enter into self-identity such as personal history, socio-economic status, religion, ethnicity, roles in life, job and so on. In fact, as Flanagan (1996) argues, the whole narrative of our lives and what concerns us enters into our self-identity. Self-identity is something more than the sum of our appetites. As Erving Goffman (1971) says, no one's self-identity is limited to a singular "core image", as people have many different sides to their personalities, revealed on different occasions (cited in O'Shaughnessy and O'Shaughnessy, 2002). This is not to deny that consumers use goods as a way to express some aspects of their social identity and to distinguish themselves from others "in a world in which traditional social bonds and class boundaries are weakening" (Gronow, 1997). With regard to the claim that self-identity is now more a matter of individual choice than social ascription, this ignores the fact that self-identity is not developed in a vacuum but is very much influenced by how others view us in social interactions. Similarly with possessions, there is a limit to the extent that consumers can express a completely distinct self-identity. There is the matter of time and financial resources while consumers, non-conforming to societal norms, may be conformative to the norms of subcultural groups. Subcultural social pressures are likely to produce a strong family resemblance in possessions among the members of the subgroup.

3.9. ENVIRONMENTAL AND CONTEXTUAL INFLUENCES OF GREEN MARKET ORIENTATION AND CUSTOMER PERCEIVED VALUE

Environmental Moderators affecting the link between Green Market orientation and Customer Perceived Value

The paper identifies six factors in literature namely competitive intensity, regulatory intensity, stakeholder pressure, technology turbulence, market turbulence and economic uncertainty as factors influencing the direct relationship between green market orientation and customer perceived value on the basis of the studies of Miller and Droge (1986), Narver, Slater, and MacLachlan (2004) , Khandwalla (1977) and Bansal and Roth (2000).

Contextual Factors affecting Customer Perceived Value

The paper also identifies three factors directly influencing customer perceived value of tourist customers on the basis of the studies of Narver, Slater (1990), Greenley (1995) and discussions the researcher had with experts. These consist of Relative size, years of operations, corporate reputation. It adopts the following operational definitions for these factors.

4. CONCEPTUAL FRAMEWORK AND PROPOSITIONS

Based on the literature review, the paper presents in figure 4.1 the comprehensive conceptual framework developed on the basis of extant literature. It represents the nature of the proposed relationships among the key constructs.
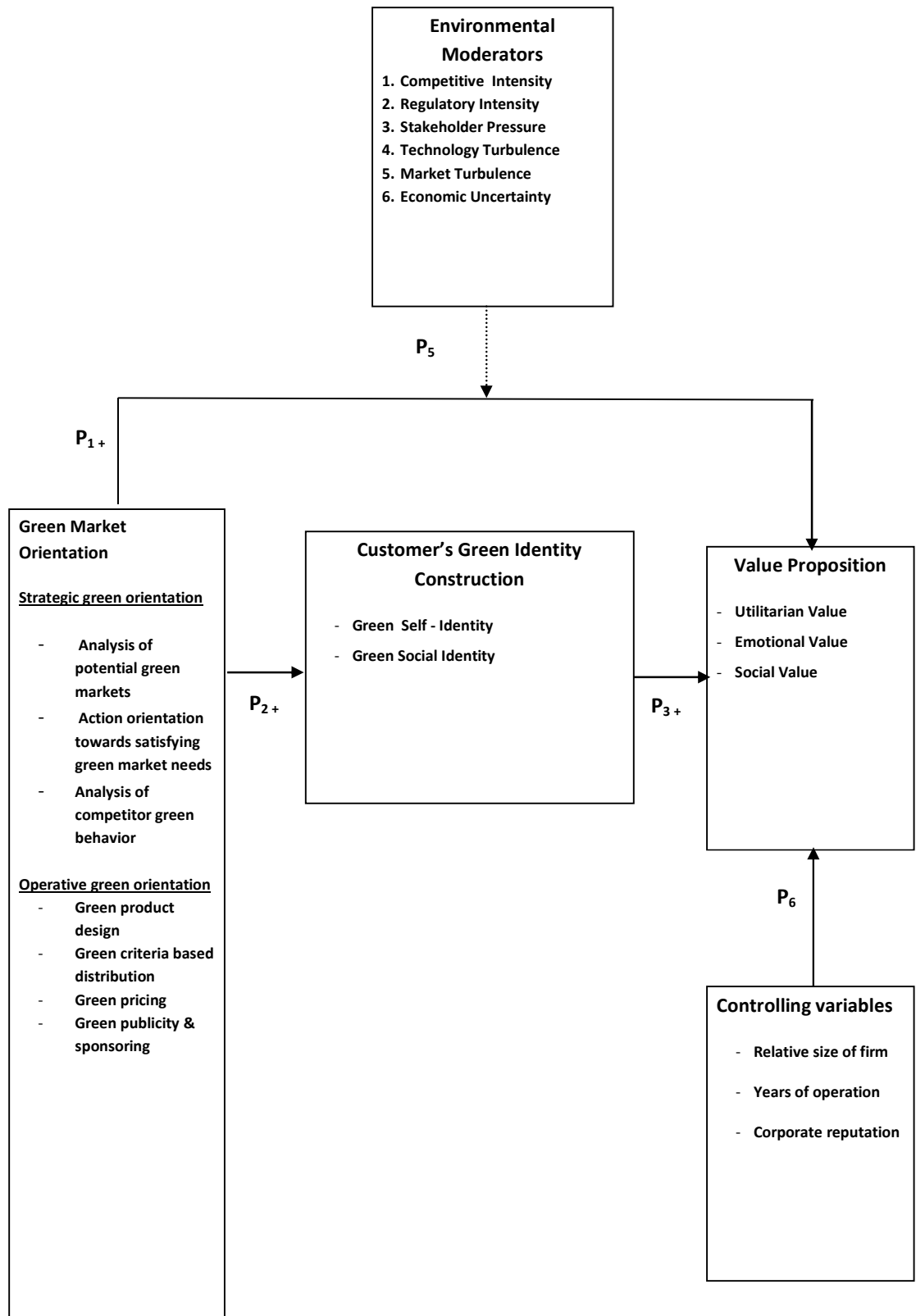
Figure 4.1: Green Market Orientation, Customer Identity and Customer Perceived Value
Source: (Analysis and synthesis of literature)

Based on the above conceptual model the study develops the following testable research propositions:

Testable Propositions:

Proposition 1: Green market orientation of the firm positively influences the customer's perceived value.

Proposition 2: Green market orientation of the firm positively influences the customer's self and social identities.

Proposition 3: The self and social identities of the customer positively influence the customer's perceived values perceived.

Proposition 4: Emotional and social identities of the customer mediate the relationship between the firm's green market orientation and the customer's perceived value.

Proposition 5: Marketing environmental factors such as Competitive Intensity, Regulatory Intensity, Stakeholder Pressure, Technology Turbulence, Market Turbulence and Economic Uncertainty moderate the relationship between green market orientation and customer perceived value.

Proposition 6: Relative size, number of years in operation and corporate reputation of the firm positively influence the customer perceived value.

5. IMPLICATIONS AND CONCLUSION

The paper highlights both theoretical and practical implications. It contributes to the theory development as green marketing is expanded to domain of customer identity construction as a means for value creation and sustainability. However, there is need to test the propositions as the hypotheses through operationalzing these constructs to empirically validate the conceptual model at industry level. Practically, marketers of firm should invest in green initiatives in their marketing strategies and operations in order to promote sustainable production and consumption in order to grab the competitive advantage. However, merely adopting a green orientation will not ensure competitive advantage through positive consumption decisions of customers unless the green initiatives of the firm help customers construct their desired identity through green consumption. Therefore, Marketers should craft their green based strategic and operational marketing programs and communicate them in a manner that reflect customers' desired identity and customer perceived value.

The paper concludes that value-action gap in green marketing can be minimized when firm's green marketing strategy is linked to customers' perceived value proposition by providing a way for target customers to develop or celebrate their desired self and social identities.

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