Chapter 4 Green Consumer Behavior and Its Implications on Brand Marketing Strategy

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ABSTRACT

The current pollution and possible depletion of earth's natural resources combined with the growing concern in choosing healthier and environmentally friendly foods and gives origin to a new way of consumption: green consumption. Therefore, organizations have identified this business opportunity leading to the emergence of several brands related to the commerce of these kinds of products. Through a qualitative methodology of five semi-structured interviews, an attempt was made to understand how the strategy of product, price, communication, and distribution of these brands seek to influence consumer behavior and educate consumers to act in a sustainable way. The results show that clients are largely young-adult, female, with small children and above-average education and income. In terms of strategy, the brands currently bet on the sale in bulk as a way to avoid waste of product and packaging. The main concepts addressed in this chapter are consumer behavior, green consumer, and green marketing, and also by marketing compound strategy.

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INTRODUCTION

Environmental concerns and consumer demand for environmentally friendly products have led to the emergence of a new marketing philosophy called green marketing. The great forces behind the green marketing are the demand for green products coupled with concern for the environment. On the other hand, companies seek to balance their sales and profit objectives with social and environmental concerns (McDonagh & Clark, 1995; Paço et al., 2009).

Polonsky (1994) considers green marketing as the activities developed to generate and facilitate any exchanges with the intention of satisfying the desires and needs of consumers. It is crucial that the satisfaction of those happens with the least negative impact on the environment as possible. For Paço et al. (2009), it is a holistic management process that identifies, anticipates and satisfies consumers' needs in a profitable, sustainable and beneficial way. On the other hand, consumer behavior is an area that has been gaining a lot of academic and organizational relevance (Santos, 2010). This is a complex however, essential subject in many areas such as Administration, Psychology, Economics, Anthropology or Sociology (Mowen & Minor, 2003). In order for an organization's product to meet consumer's desires it is essential that Marketing is aware of their behavior (Blackwell et al., 2001; Kotler & Armstrong, 2007). Knowing its consumer, what he looks for and how he makes his decisions is basic information for any organization that seeks success (Newman et al., 2001).

Therefore, green marketing dates back to the early 1970s. Yet, only in the 1990s, many different aspects of green marketing were discussed academically. It was concluded that more research was needed on, for example, promotion and consumer needs (Rex & Baumann, 2007). However, and according to these previous authors, the main focuses back then came almost exclusively to be the size of the green market and the 'profile' of the green consumer. Some scholars even say that the consumer profile was the only area of interest in studying the greening of the consumer. Green marketing is a broader concept that covers much more aspects such as consumer goods, industrial goods and services as well (Polonsky, 1994; Ottman et al., 2006; Chen, 2009). The ultimate goal for green marketing is to create two bottom lines; the first is for profit and the second for social responsibility (Mourad et al., 2012).

Market orientation and market segmentation are two aspects that marketers should pay close attention to. The growing number of organizations that enter the green market leads to a need of adapting these strategies (Paço et al., 2009). For the aforementioned authors, segmentation is the selection of a set of variables or characteristics used to assign homogeneous groups to individuals. These segments

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