

BEHAVIOR OF THE ROMANIAN GREEN GOODS CONSUMERS

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Abstract

Marketing has put forward for a long time the fact that any activity conducted in an organization should consider an intimate knowledge of the client, and a close look at the green marketing practices used over time shows that eco-friendly products should be positioned in relation to those attributes looked for by the involved consumers. In this context, the following paper reveals some important aspects regarding the Romanian green market and the characteristics of the green consumer behavior together with solutions that marketers can apply to stimulate the consumption of green goods.

Keywords: *green marketing, consumer behavior, green goods, sustainable marketing, eco marketing, marketing strategies*

1. Introduction

In trying to meet the needs, wishes and preferences of consumers, through marketing activities, green marketing often resembles traditional marketing. Many of the essential differences existing between the two refer to the values and philosophies supporting the marketing strategy and the way in which marketing elements are conceptualized. Thus, strategies applied for green marketing are largely influenced by the specific behavior of green goods consumers. In this context, we hereby present the current condition of the Romanian market of eco-friendly products and the ways to access this market in terms of consumer behavior.

2. The Romanian market of green goods

Despite the fact that Romanians exhibit healthier habits and the consumption of eco-friendly products grows year by year by 20% -30%, they are not even 1% of cumulated sales within Romanian retail, compared to Western Europe, where the share exceeds 5%¹ (in Germany consumption is 5%, in England and Austria 3% and in Hungary consumption has reached 2%). Romanians buy eco-friendly products of approximately 80 million euro each year, representing a value of almost 40 times higher compared to 2007. In 2009, for example, the growth registered for the sales of bio products was 80% compared to 2008, and for some categories it has increased four times. During the first half of 2012, sales were higher by almost 30% compared to the same period of 2011 and experts predict that the sales of green goods covering a wide range of categories will double by 2015 to 114 billion euro.

As for the offer provided for this market, large retailers have already introduced green goods on their retail shelves. Thus, Carrefour Romania has had organic products on its shelves since 2003, and Mega Image has gone even further, being the only supermarket that provides its own brand of organic products (Delhaize Bio). Cora, on the other hand, has

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¹ Ilie, I., 2012, *Green goods: few, expensive, but in increasing demand in Romania*, Capital.ro, Friday 13 July 2012, <http://www.capital.ro/detalii-articole/stiri/verde-de-romania-169127.html>

introduced at the beginning of 2012, in addition to the variety of organic products for food products as well as for cosmetics and detergents, the first textiles manufactured of organic cotton. Moreover, all retailers, from real,- Hypermarket, Cora, Auchan, Mega Image, Billa, Profi to discounters such as Lidl, are considering green goods in the future.

On the other hand, as for the diversity of green goods, such products are observed to be also present on the Romanian car market - Dacia has developed a hybrid engine for Dacia Hamster Hybrid Electricway, the first Romanian hybrid car – in tourism – hotels such as Saturn (the first hotel in Romania receiving the eco-label for tourist accommodation services), Vega (the first hotel in Romania certified Eco-Hotel Management System, the only beach in Romania certified Blue Flag eco-label for sustainable beaches in the world), Meitner (is based upon the ecologic concept of environmental protection and is characterized by the use of ecological and non-allergenic materials) - but also in real estate. The company Ozone Homes, part of the group South Pacific Construction, already sells green houses with utility bills reduced by up to 35%. The cosmetics industry also reflects changes of the green culture in Romania, moisturizers containing parabens being now replaced by moisturizers containing benefic natural alternatives.

Marketing has put forward for a long time the fact that any activity conducted in an organization should consider an intimate knowledge of the client, and a close look at the green marketing practices used over time shows that eco-friendly products should be positioned in relation to those attributes looked for by the involved consumers.

3. Green consumer behavior

We can observe that green marketing tends to deal with a very limited number of customers' requests or needs at a specific time.

However, people's needs and requests are many, diverse and often potentially incompatible. Consumers may wish to live in an unpolluted area, far away from traffic congestion and the danger of vehicles, however not willing to give up the benefits of personal mobility provided by a vehicle. When a product is analyzed as a „package of benefits”, a client should be analyzed as a „package of desires and needs”.

Consumers' behavior towards eco-friendly products tends to presently manifest in a way expressing their conviction that, with the acquisition of these products, they will require some sacrifices, in the form of inconvenience, with high costs and low performance, and all these without significant environmental benefits. However, contrary to what consumers may think about this, a series of green goods available on the market are actually desirable, as they provide comfort, reduced operating costs and/or a better performance. These incorrect convictions often arise from the fact that the above advantages are not promoted with their „green” benefits, thus consumers do not immediately recognize them as convenient goods and form prejudices regarding the benefits they provide. When they become convinced of the „non-green” benefits of these types of goods², consumers will become more and more willing to apply them. On the other hand, many eco products have presently become so common and widely distributed, that many consumers may not recognize them anymore as „green”, because these goods are purchased for different reasons compared to other characteristics giving them this title.

In the past, customer satisfaction was analyzed in terms of product performance at the moment of (or during) consumption. However, presently, „green” consumers may reject a product when they become aware of the damages that the product may cause to the

²Makover, J., 2011, *Green Marketing Is Over. Let's Move On*, GreenBiz.com, 16 May 2011, <http://www.greenbiz.com/blog/2011/05/16/green-marketing-over-lets-move?page=0%2C0>

environment during production process or its removal from consumption. Also, consumers may avoid a product, in response to the disapproval towards the activities conducted by the manufacturer of those goods, its suppliers or its investors.

4. To do's in green marketing regarding consumer behavior

Customer satisfaction relies more and more on the production process and all activities conducted by the manufacturer, so we are approaching the condition when the company itself becomes the consumed product. Drucker's famous concept (1973) according to which „marketing is the only business seen from the point of view of the final result, which is the consumer's point of view” seems to become a reality for many companies, just as the green movement means that potential customers (or those influencing them) actively observe all aspects related to the company.

Taking into account the specific behavior of eco product consumers, as well as the successful marketing strategies, it can be observed that the eco products that have been successful on the market followed three main principles³:

➤ ***The marketing of successful eco products is characterized by the fact that it focuses on non-eco consumption values and frequently links this type of consumption to at least five benefits desired by consumers: efficiency and cost-effectiveness, health and safety, performance, symbolism and status, as well as comfort.***

Arguments supporting the above statement are numerous. Given the energy price explosion, tax incentives for vehicles that are efficient in terms of fuel consumption, improvements and rehabilitation of houses and home appliances leading to long term savings have convinced consumers who are sensitive to costs to buy green products. Also, as for the safety of the promoted eco products, a study performed by Alliance for Environmental Innovation in cooperation with the manufacturer of household products SC Johnson, set up, among its conclusions, the fact that consumers act most likely as the result of „green” messages that are strongly connected to their personal environment. Specifically, the results suggest that most consumers prefer those household products with benefits promoted in messages such as: „for use under maximum safety conditions around children”, „no toxic ingredients”, „no chemical residues” much to the detriment of promoting benefits through messages such as „recyclable package” or „the product was not tested on animals”⁴. Moreover, in terms of performance, many green products are currently designed to function better than the conventional ones, so establishing a high price is justified.

Successful programs developed and implemented by „green” marketing aimed at increasing consumers' attractiveness to eco products, by convincing them of the non-eco consumption values that such products include. The directions to be followed in setting up successful strategies in the field of green marketing summarizes for marketers the identification of consumers' opinion regarding the value of the main features of the eco product or incorporating within these products the desired consumption values as well as drawing attention of the target group on these values.

➤ ***Many of these successful eco products promote convincing and educational messages and slogans linking the green features of products with their desired consumption value.*** In other words, green marketing programs have successfully calibrated the consumers'

³ Ottman, J.A., Stafford, E.R., Hartman, C.L., 2006, *Avoiding Green Marketing Myopia. Ways to Improve Consumer Appeal for Environmentally Preferable Products*, *Environment*, Volume 48, No. 5, pages 22-36, <http://www.greenmarketing.com/files/Stafford-MyopiaJune06.pdf>

⁴ Alston, K., Prince Roberts, J., 1999, *Partners in New Product Development: SC Johnson and the Alliance for Environmental Innovation*, *Corporate Environmental Strategy*, Vol 6, No 2, pages 110-128, http://cleartheair.edf.org/documents/536_ces.pdf

knowledge so that they should recognize the consumption benefits of eco products. This led to the condition when, in many cases, the environmental benefit was placed on secondary level or was not specified at all. Certain communication activities having a convincing nature also educate consumers so that they should recognize eco-friendly products as „solutions” for their personal needs and for the environment. Practically, advertisement drawing attention to the way in which the benefit of the green product can provide a personal value desired by consumers can extend their acceptance degree of green goods.

➤ ***Credibility is the main element of an efficient green marketing.*** Successful eco products must meet or exceed customers' expectations by providing their promised consumption values and by assuring substantial benefits for the environment. Often, consumers do not have the expertise or ability to check the environmental benefits and/or the consumption value of eco products, leading to preconceptions and skepticism⁵. To be convincing, statements on the „green” features of products must be specific and significant, humble and should not promise too much. Also, the features of eco products should be honestly communicated and certified in order to increase credibility (in other words, the benefits for consumers and the environmental efficiency should be compared to comparable alternates or likely use scenarios). Experts, as third parties, having observed standards for environmental testing (such as independent labs, government agencies, private consultants or representatives of non-profit organizations) can provide approval notes for eco products and/or „seals of approval” to help clarify and strengthen the credibility of statements related to green products. In our country, before being named and labeled as organic/eco, a product must be certified by European certification organizations, ECO CERT, BDIH, DEMETER or BCS OKO GARANTIE, the only ones accredited in Europe.

Bio VerLinea, an online shop distributing bio cosmetics and bio products, understood that, when consumers want to purchase a product, it is very important that they should be aware of its origin, its certificates and list of ingredients. The credibility of the shop increases in proportion to the long list of certifications of the organic products distributed through this shop – Ecocert (www.ecocert.com), Cosmebio (www.cosmebio.org), BDIH (www.bdi.de), The Soil Association (www.soilassociation.org), Natrue (www.natrue.org), Leaping Bunny (www.leapingbunny.org), Fair Trade Association (www.fairtrade.net), Bio-Siegel (www.bio-siegel.de), Bioagricert (www.bioagricert.org), Agriculture Biologique (www.agencebio.org), Demeter (www.demeter.net), EU Organic Farming* (<http://ec.europa.eu>), USDA ORGANIC (www.ams.usda.gov/nop), Japan Agricultural Standards (www.maff.go.jp), The Vegan Society (www.vegansociety.com), The Vegetarian Society (www.vegsoc.org), Asthma Allergy Association din Danemarca (www.astma-allergi.dk), Qualité-France SAS (www.qualite-france.com)⁶. Consumers' lack of confidence melts as they look through the list and descriptions provided by these certificates.

However, even if green certifications help differentiate products and make decisions related to consumption, they are not without controversy. Therefore, when they request approvals and eco-certifications, marketers should take into account the compromises related to environment and the complexity of their products, as well as the experts and organizations behind the requested approvals and/or eco-certifications. Marketers should educate customers about the meaning behind an approval or criteria behind „eco seals” (see the example Bio Verlinea). Also, another way in which a company may increase its credibility among

⁵ Cronin, J.J., Smith, J.S., Gleim, M.R., Ramirez, E., Martinez, J.D., 2011, *Green marketing strategies: an examination of stakeholders and the opportunities they present*, Journal of the Academy of Marketing Science, Vol 39 (2011), pages 158–174, <http://www.ucerresource.org/articles/Admin/2011/JAMS-11-vol-39-1-11.pdf>

* All organic products produced in the European Union are printed with organic logo "Euro-leaf"

⁶ Official website of the Bio VerLinea online shop, <http://www.bioverlinea.ro/i/certificari/104/>

consumers is concluding a partnership with a third party that is credible and professional in the environmental field, such as non-profit organizations.

Consumers have become increasingly skeptical to commercial messages, so that, nowadays, they turn their attention to the collective wisdom and experience of friends and colleagues related to green products. Word-of-mouth or „buzz marketing” is perceived as having high credibility, especially when consumers take into account and try to understand the complex product innovations. The internet, through e-mail, and its wide information repository, websites, search engines, blogs, product rating sites, podcasts and other digital platforms, have opened significant opportunities to make social and communication networks spread a credible „word-of-mouth” (buzz facilitated by Internet) related to eco-friendly products. In order to facilitate the „buzz marketing”, the marketers have to create for their products credible messages, stories and websites, that should be both convincing, interesting and/or entertaining, so that consumers should be driven to seek information and pass it on to friends and family.

5. Conclusions

In the context in which Romanian market for green products is not even 1% of Romanian retail accumulated sales, unlike the average proportion in Western Europe (amounting to 5%), it is necessary that we should analyze closely the behavior of green goods consumers and find solutions to the trends observed at this level, in order to stimulate consumption for this category of products.

Trends observed in the behavior of consumers of eco-friendly products manifest in different forms. Firstly, we should remember that the needs and desires of consumers of eco products are numerous, varied and often potentially incompatible, as they often seek satisfaction by not buying, so that, when a product is analyzed as a „package of benefits”, a client should be considered as a „package of desires and needs.”

Consumers’ attitude towards eco products presently manifests in a way expressing their conviction that, with their acquisition, these products will prove to be inconvenient, with high costs, low performance and all these, without significant environmental benefits, wrong convictions deriving mostly from the fact that the above advantages are not promoted with their „green” benefits, therefore, usually, consumers do not immediately recognize them as convenient goods and form preconceptions about the benefits they provide. Also, “green” consumers reject products when they become aware of the damages these products cause to the environment during production process or removal from consumption or as a reaction of disapproval towards the activities conducted by the manufacturer of these goods, its suppliers or investors.

Taking into account the specific behavior of consumers of green products and the successful marketing strategies, we may set up several action guidelines that can be applied by organizations operating or intending to operate on the eco products market. One of the action guidelines to follow in the green marketing activity is represented by the fact that it needs to focus on non-eco consumption values, with at least five desired benefits, frequently associated with this type of products: efficiency and cost-effectiveness, health and safety, performance, symbolism and status, as well as comfort. In this context, in the promotion activity, we should take into account the fact that consumers most likely act based upon the „green” messages strongly connected to their personal environment. In developing successful strategies in the green marketing field, the marketers should identify consumers’ opinion on the value of the main eco features of the eco product or incorporate in this type of product the desired consumption values and draw attention of the target group on these values.

Also, the green marketing programs should calibrate consumers’ knowledge so that they should recognize the consumption benefits of eco products.

And last but not least, within the marketing activities in the field of green products, we should never forget that credibility is the essential element of an effective green marketing. In this sense, certifications have a major role in clarifying and strengthening the credibility of the statements related to eco products, with the specification that marketers should take into account environmental compromises and the complexity of their products, as well as the experts and organizations behind the requested approvals and/or certifications. Another source contributing to the increase of the credibility level towards green products is represented by the collective wisdom and experience of friends and colleagues related to eco products, promoted through word-of-mouth or „buzz marketing” perceived as highly credible.

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