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CONTRIBUTION OF ECOLOGICAL VALUES TO THE BRAND EQUITY. ECOLOGICAL BRANDING

Sergeta Alina Sergeevna

*Plekhanov Russian University of Economics, Moscow, Russia,
e-mail: alinasergetabryansk@mail.ru; SPIN-code: 8028-3732; ORCID: none*

Lukina Anastasia Vladimirovna

*Institute of Control Sciences V.A. Trapeznikov Academy of Sciences, Moscow, Russia,
e-mail: avlukina@gmail.com; SPIN-code: 2339-5743; ORCID: 0000-0003-2455-3622*

Abstract: The article reveals the issues of environmental branding within the framework of the company's environmentally responsible behavior strategy. Under conditions when consumers' interest in environmental issues is growing and responsible consumer behavior is being formed, the company can gain an additional competitive advantage by forming an eco-friendly brand image. The authors hypothesized about the contribution of environmentally responsible behavior of companies in building brand equity and its values. The article analyzes the change in consumer behavior, which discovers new opportunities for building brand equity and environmental branding. The article discusses possible environmental initiatives and values of companies, for a more detailed analysis, the company "Unilever" was chosen. The article includes conclusions regarding the hypothesis put forward and recommendations on the topic raised.

Keywords: ecology, sustainable development, environmental branding, environmental brand values, brand equity, responsible behavior.

ВКЛАД ЭКОЛОГИЧЕСКИХ ЦЕННОСТЕЙ В СОБСТВЕННЫЙ КАПИТАЛ МАРКИ. ЭКОЛОГИЧЕСКИЙ БРЕНДИНГ

Сергета Алина Сергеевна

*РЭУ им. Г.В.Плеханова, Москва, Россия,
e-mail: alinasergetabryansk@mail.ru; SPIN-код: 8028-3732; ORCID: нет*

Лукина Анастасия Владимировна

*ИПУ РАН, Moscow, Russia,
e-mail: Lukina.AV@rea.ru; SPIN-code: 2339-5743; ORCID: 0000-0003-2455-3622*

Аннотация: В статье раскрываются вопросы экологического брендинга в рамках стратегии экологически ответственного поведения компании. В условиях, когда растет интерес потребителей к проблемам экологии и формируется ответственное потребительское поведение, компания может получить дополнительное конкурентное преимущество за счет формирования экологичного имиджа бренда. При написании статьи авторы выдвинули гипотезу о вкладе экологически ответственного поведения компаний в построении собственного капитала бренда и его ценностей. В статье анализируется изменение поведения потребителей, которое открывает новые возможности для

построения капитала бренда и экологического брендинга. В статье рассматриваются возможные экологические инициативы и ценности компаний, для более детального анализа была выбрана компания «Unilever». Статья включает в себя выводы касательно выдвинутой гипотезы и рекомендации по затронутой теме.

Ключевые слова: экология, устойчивое развитие, экологический брендинг, экологические ценности бренда, собственный капитал марки, ответственное поведение.

Introduction. In the world of modern technologies and comprehensive digitalization, consumer behavior is changing, people are becoming more aware of the latest trends in the world and innovations in the market of goods and services. Ecology, responsible consumption and eco-friendly products have become one of the most current topics.

Consumers' interest in ecology and environmental issues was reflected in their motives, attitude to things and life values, and most importantly – in consumer behavior. The listed behavioral and moral changes are used by marketers to select criteria for segmentation of people, a strategy for positioning goods on the market and the development of a set of marketing communications for the best building relationships with customers for the purposes of individual companies.

The consumer interest in environmental issues and the purchase of eco-goods leads the author to hypothesize about the contribution of environmentally responsible behavior of companies in building brand equity and its values. Thus, the purpose of the work is to test the hypothesis mentioned by the author, whether environmental values add additional value to the brand's capital. A specific company, «Unilever», will be selected for this study. The relevance of this article is due to the long-term orientation of the company's decisions in the field of branding and reputation based on building a model of values and following them.

Firstly, it is needed to define what is a brand and its values. The author will define the brand as the value judgments of consumers about a certain product or service that carry an emotional coloring from a particular product. Brand values include the fundamental beliefs that the company puts forward and implements in its activities [1]. They must be honest and supported by the company itself, as they form a certain image and become an integral part of the brand identity. Following values allows you to create a certain image of the company.

Brand equity is the brand's power derived from the goodwill and name recognition that it has earned over time, which translates into higher sales volume and higher profit margins against competing brands [2]. Brand equity is the aggregate of assets and liabilities attached to the brand name and symbol, which results in the relationship customers have with the brand.

«Unilever» follows the following values: compliance with the law, caring for employees, consumers, shareholders, business partners and other stakeholders, active social activity, involvement in society, innovation and conscientious work with data. Thus, the listed principles characterize the company as very responsible, socially and environmentally oriented, these values (including environmental) can be considered reasonable and truthful, since «Unilever» publishes annual reports [3].

Eco-products in the world. At the moment, the orientation of business towards sustainable development, which was expressed in the adoption of the concept of sustainable marketing, led to the growth of research on this topic [4]. According to various estimates of researchers, consumers are willing to overpay for eco-products from 10 to

30% of the price [5]. Russian consumers tend to buy eco-products more because they have health benefits, and less because they care about the environment. There are the most popular categories of products that attract the attention of eco-responsible citizens more. In accordance with these facts that were obtained from the study of the ecobureau "Greens", the author identifies the following most common categories of goods – food, household chemicals and cosmetics. So, it becomes obvious that consumers tend to prefer eco-goods even in their daily routine life, which causes ecological habits to arise, which undoubtedly has a positive effect on their overall greening behavior. The data from the research is presented on fig. 1 [6].

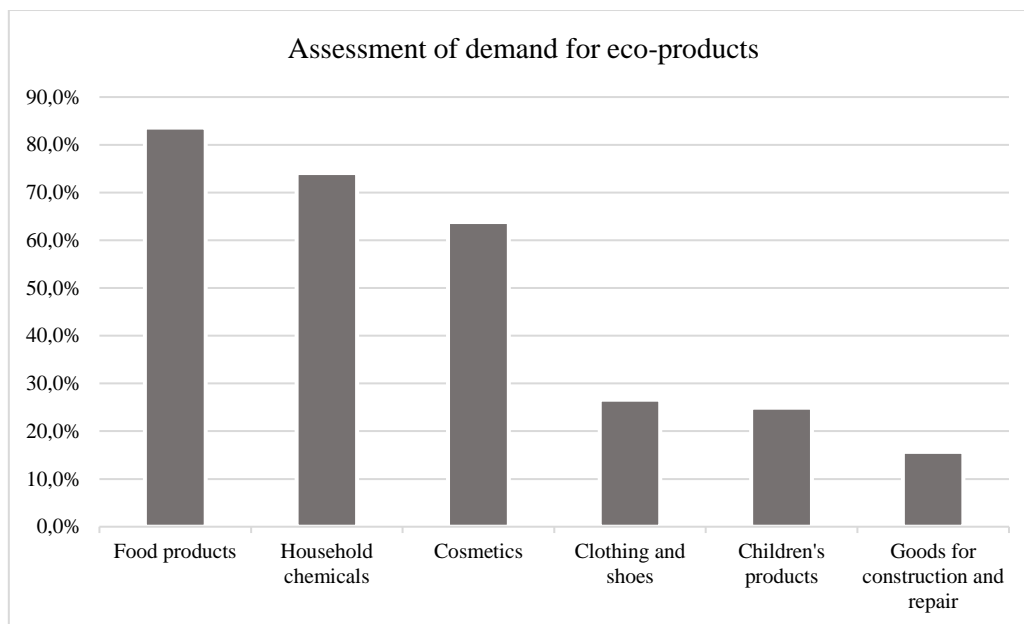


Fig. 1. Assessment of demand by product categories. Source: [6]

Due to the spread of environmentally responsible behavior, the proportion of people who expect companies to take care and protect the environment is increasing. The most progressive companies promptly respond to consumer expectations and implement sustainable development concepts in order to contribute to solving the following problems: climate change, soil, water and air pollution, deforestation, man-made disasters, global warming, loss of biodiversity. Many brands want to have a long-term positive impact on the world and business, such responsible brands include «Unilever», Ikea, Danone, Tesla, Microsoft, Loreal [7].

Company description. In this article, the authors will consider in detail the «Unilever» company and its environmentally responsible behavior. The company’s goal is to make a sustainable lifestyle commonplace. They are determined to prove that their dedicated business model, focused on the future, provides excellent performance [3]. The company has several areas of activity: climate action (zero emissions, reducing the carbon footprint, eliminating deforestation, reducing the use of water resources), protection and restoration of nature (climate change), equality, improving living standards, respect for human rights, responsible business conduct. The company strategy corresponds with United Nations decisions which will determine the course of action of many countries in the world to decrease the emissions of Green houses gas by half to 2030 and reach net-zero emissions no later than 2050 [8].

«Unilever» ensures the safety and sustainability of its products and reduces the impact on the environment, thanks to a team of scientists at the Center for Safety and Environmental Protection (SEAC), who play a vital role in fulfilling these obligations. Experts use best practices and a wide range of scientific knowledge for reliable safety assessments. This includes expertise in consumer, environmental, technological and work safety, as well as environmental sustainability. SEAC covers many different fields of science, including cell biology, microbiology, toxicology (the effect of an ingredient on the body), computational chemistry (predicting the properties of a chemical by its structure), bioinformatics (using computational approaches for big data analysis), mathematical modeling [6].

Consumers behaviour. The authors presented articles reflecting the popularization of environmental ideas among consumers. This fact can be considered as a consequence of people's choice in favor of protecting the planet, but for a more comprehensive analysis it is necessary to study the motives of people's behavior, namely those needs that can be satisfied by following environmental ideas.

Consumers needs and wants, that are covered with the ecological ideas for brands, can be classified based on 5 main groups of needs according to A. Maslow [10].

1. *Physiological needs and wants* (this group of wants is closely related to the need for security) - the choice of eco-products is based on taking care of your health and the health of your family, choosing less hazardous goods for health according to it. In that case consumers are influenced by packaging, product information and its composition.

2. *Social needs and wants* are those things that are referred to the communication with other people to feel a sense of belonging and unity. Thus, consumers are ready to buy eco-products if close people, such as members of family, friends and colleagues recommend. The number of people that buy eco-products for social reason does not make up a large proportion in the total amount of eco-buyers.

3. *The need for recognition* is quite popular need for modern consumers, so they choose goods (eco-goods) in accordance with fashion trends, the value of their own image, they want to get the approval of their social circle and believe that the purchase of eco-goods reflects the social position of people. These people make decisions primarily based on emotional values.

4. The *need for self-expression* can be expressed in the need of taking care of the environment, consumers are concerned about the waste of the planet's resources and its pollution. It is important to them that the products they use do not harm the environment, they are willing to pay more for eco-goods.

Economic motives can be singled out in a special group, since some people associate concern for the environment with saving and reducing consumption (water, energy and paper).

There are some features of consumption in different countries: the main reason for the choice of eco-products in Russia is the health; people are ready to pay more for such goods [11]. Nowadays in the Scandinavian countries (Finland, Sweden, Norway), Japan and Canada, educational work with the population is very developed [12], even environmental lessons and games are organized for children, the effectiveness of which can be assessed by the decreasing figures of the amount of garbage falling on the country as a whole and per inhabitant in particular. For example, in Norway, 2.4 million tons of waste were recorded in 2020, and an average of 449 kg per person in the country. In Russia, this figure was 453.4 kg, and in 2021, 434.7 kg of garbage. In the USA, the

situation is more complicated, there are 730 kg of garbage per inhabitant [12], which is almost 2 times higher than the global average.

Since environmental education in Russia has not yet become part of the school curriculum, it is needed to cope with this problem on state level to develop eco-responsible behavior since childhood.

Analyzing the behavioral characteristics of consumers, based on their age, the authors identified the most environmentally responsible segments. According to a Forbes study, young people aged 18-24 are more likely to refuse to buy goods that do not correspond to environmental, social and political reasons. At the same time, middle-aged 35-54-year-olds are least willing to give up products that contradict their environmental and other attitudes. The results from the study are presented on fig. 2 [13].

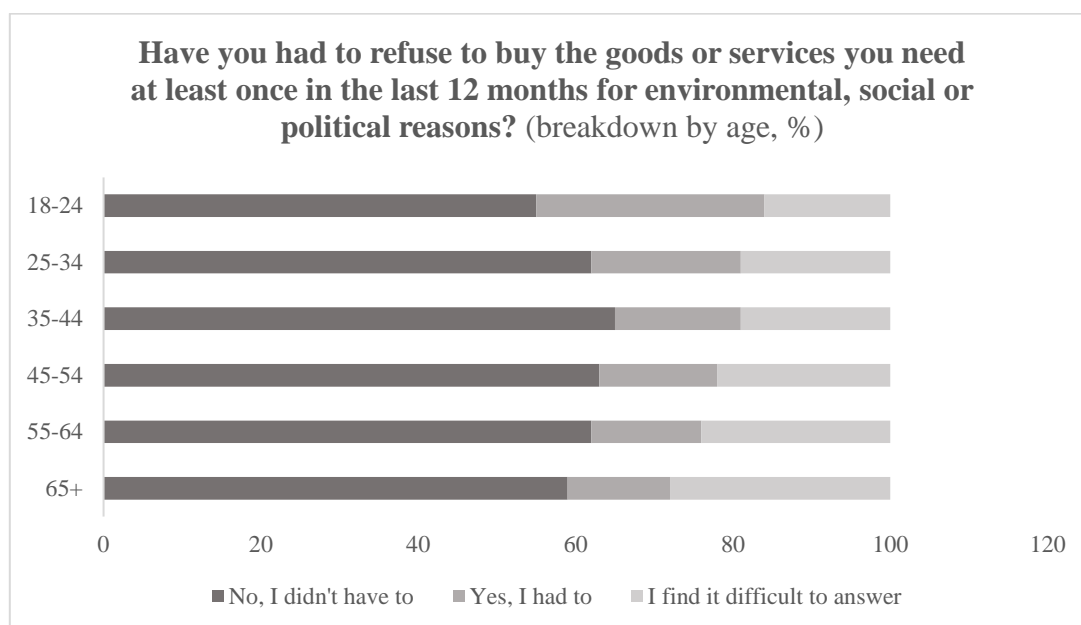


Fig. 2. Age distribution of responses about the propensity to buy goods for environmental, social and political reasons. Source: [13]

In Russia, according to analysts and economists, there is a trend towards eco-friendly consumption, the demand for organic goods is increasing, in the future this phenomenon will only intensify and there are forecasts for a 10% share of the global eco-products market [11].

In connection with these forecasts of an increase in the consumption of eco-products and the general greening of consumer behavior, people will look for and choose those companies that offer relevant products on the market and have proven themselves responsible market players. Not only in the field of eco-products, preference will be given to such companies, but also in other areas. This applies to those consumers who tend not to save and understand modern trends and eco-behavior. Moreover, brands should stand out their eco-products to differentiate from competitors

Conclusion. Thus, environmental positioning reinforces the strength of the brand and the brand's equity. «Unilever» actively influences eco-initiatives, for example, the number of packaging made of recycled plastic has increased by 40%, the total amount of

recycled waste has increased by 20%, the total amount of recycled waste has increased by 13% [3].

Summing up all the above, the transition to the concept of sustainable development is a new step towards the development of companies and their brand. Introducing the brand to the idea of sustainable development helps to create an emotional connection with customers and allows you to stand out among competitors in a special way. The spread of environmentally responsible behavior has had a positive impact on the activities of companies, they began to introduce more environmental initiatives into their business processes, offer eco-products to the market, take care of the environment, rationally spending human and natural resources. There is no denying the positive impact of such actions on improving its competitive position and reputation in the market, attracting new consumers and retaining existing customers. Such responsible companies are called green, they devote a lot of time to building their corporate identity and positioning in the market. During the market research, the hypothesis was confirmed, environmentally responsible behavior of companies contributes to the brand's equity and its values.

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