METHODS TO STIMULATE SUSTAINABLE CONSUMPTION IN THE SYSTEM OF PROMOTION PRODUCTS IN INDUSTRIAL MARKETS

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In recent years, the necessity to meet ecological needs has been occupying an important place in the system of consumption values. The key mission of marketing in the area is the formation and continuous development of the processes of mutually beneficial exchange of ecological products in the market. The aim of the research is the development of the mechanism of a model for the stimulation of sustainable consumption based on the use of contemporary marketing tools and the end-consumer “pull” methods. The object of the research is the theoretical and practical basis of ecological products promotion in the market. The theoretical and methodological basis of the research is scientific literature on the formation of a market of sustainable consumption and the stimulation of sales of ecological products. To establish the actions to be used for the promotion of ecological products in the market, 398 residents of Lithuania were surveyed over the period of 2013 to 2014. To solve the research problem, the methods of analysis, generalisation, and comparison were used. The use of the end-consumer “pull” methods in the consumption of ecological products was based on the analysis of academic literature, as well as the methods of analysis and synthesis, induction and deduction, and logical aggregation of the survey data. For the development of the mechanism of the model for the promotion of the sales of ecological products, the method of modelling was employed. The findings of the research: the mechanism of a model for stimulating the sales of ecological products has been developed, based on the integrated use of traditional and contemporary methods and the end-consumer “pull” tools. The process of management of the implementation of the mechanism of ecological products promotion has been formed, which revealed specific actions necessary for its success.

Key words: “pull” methods, sales stimulation, ecological product, marketing communications, “green” buyers, environmental protection.

JEL codes: M3, M2, O22, O21.

1. Introduction

The issue of sustainable consumption was first raised in 1992, at the Earth Summit in 1992, in which the objective was formulated “not to jeopardise the needs of future generations by meeting today’s needs”. Later, in the United Nations Environment Programme (UNEP), sustainable consumption was defined as the consumption of products and services which met the basic needs of consumers and improved their quality of life.
Simultaneously, they reduced the use of natural resources and toxic substances, as well as the amount of waste and emission of pollutants throughout the life cycle, so as not to jeopardise the needs of future generations (United..., 2010).

To achieve sustainable consumption, it is necessary to change public attitudes towards consumption and environmental protection. In addressing the said problem, all the elements of marketing are to be used, from the quality of the product and the packaging to its after-sales service. Moreover, all the marketing elements are to reflect the position of the sustainable product and to support it. Even though a well-chosen way of the product promotion does not yet guarantee success, the measures of promotion make an impact on its destiny in a specific market, as well as influence the welfare of the enterprise in the current and future periods.

Market research and product promotion issues have been studied by national and foreign authors. There are authors who analyzed product promotion management in regional markets A. D. Petrosyan (2008), or sustainable development principles with regard to training and sustainable development of standards for organic products promotion L. Palekhova et al. (2014) also the effectiveness of promotion policy E. A. Pankratov and N. S. Ivashchenko (2005). Authors analyzed integrated marketing communications and strategic promotion management L. Percy et al. (2001) and strategies of product promotion N. Klebanskaja and J. Matačinskienė (2006) – ways of supporting their choices, and V. Pranulis and A. Pajuodis et al. (2012) – promotion objectives, methods, their selection criteria, J. Vijeikis and A. Balaižentis (2010) – sales promotion etc.

The system of promotion used by the enterprises is not permanent. Changes in it are affected by a number of factors, such as the effective demand of the population, the nature of the competition, the type of the product and its packaging, market provision with information, etc. However, the issues of the development of scientific methods for the product promotion in the system of enterprise marketing have not yet been sufficiently studied. This is especially true with regard to the promotion of sustainable products and the main elements in the system of promotion of the said products which include the goals, principles, methods, and functions. Research problem – what possible end-consumer “pull” methods and tools for the promotion of sales are applied and and how these methods and tools are adapted for promotion of ecological products? The aim of the article – to identify possible end-consumer “pull” methods and tools for the promotion of sales and to develop a model of end-consumer “pull” methods for stimulate sustainable consumption.

Research methodology. The object of the present research is the theoretical and practical basis of the product promotion in the market. The theoretical and methodological basis of the research is scientific literature on the formation of the market of sustainable consumption and the promotion of the sales of ecological products. With the aim of establishing what actions should be used to promote ecological products in the markets, 398 residents of Lithuania were surveyed over the period of 2013 to 2014. To solve the research problem, the methods of analysis, generalization, and comparison were employed. The use of the end-consumer “pull” methods in the consumption of ecological products was based on the analysis of academic literature, as well as the methods of analysis and synthesis, induction and deduction, and logical
aggregation of the survey data. For the development of the mechanism of a model for
the stimulation of ecological product sales, the method of modelling was employed.

2. The trends in the formation of the ecological products market

In recent years, the necessity to meet ecological needs has been occupying an
increasingly prominent place in the system of consumer values. The principal mission
of marketing in the said field is the formation and continuous development of the
processes of mutually beneficial exchange of ecological products in the markets.
From that standpoint, the conception of sustainable marketing is to be seen as a
change in the marketing philosophy, meaning the transition to social-ethical and eco-
logical marketing, functioning on the principles of sustainable development. A spe-
cial trait of that kind of marketing is the emphasis placed on collaboration instead of
competition, on the change in the entrepreneurial culture and the provision of honest
information to consumers, and on the formation of the sales policy in compliance
with the requirements of environmental protection.

As proved by the research of Auger, Burke, Devinney & Louviere, and
McEachern, in the majority of cases, consumers shall make decisions about buying
“green” products when they realise their responsibility for the environmental protec-
tion and when they have a deep conviction that they as customers can have a benefi-
cial impact on the environment by their selection. The basis of “green” consumer’s
behaviour is his awareness of the impact of the product/service on the environment
and the desire to reduce the said impact. The behaviour of “green” consumer results
in the formation of a market of green products, including the “green” market.

Statistical data and research findings witness that the market of green products
tends to increase (United..., 2010). According to Reuters, in the period of 6 years
(2009 to 2015), the market of “green” products was to grow from 56 billion to 114
billion euros; simultaneously, the retail price of “green” products was to decrease by
40.5% on average, which was expected to increase the demand for green products.
The research of IPSOS in various countries, including the USA, the UK, Germany,
France, Spain, etc., demonstrated that 79% of the consumers wanted to buy from the
companies that reduced the impact on the environment (Otman, 2011; Bagijev,
2001). Given the fact, the “green” strategy of communications may positively affect
the growth of the said trends.

argued that trade, by providing information through marketing communications and
ensuring the availability of green products in the market, could help consumers find,
select, and use green products and services (United..., 2010). Since presently con-
sumers enjoy an increasing freedom of choice, while manufacturers orient their activ-
ity towards meeting their needs, the methods of stimulating consumption of ecoLOGi-
cal production acquire particular importance. Accordingly, it is possible to expand
the production capacity for ecological products, however, if consumers fail to apPre-
ciate its advantages, the efforts will be made in vain. Therefore, special attention
should be paid to different end-consumer “pull“ methods in the processes of promo-
tion of ecological products.
In terms of marketing, a “sustainable” market can be characterised as a set of existing and potential consumers who meet their needs by buying products friendly to the environment and to the welfare of the future generations. We shall overview the main factors that influence the formation and the development of sustainable markets, including political-legal, environmental, social, ethical, and economic ones.

The political-legal environment means the development of appropriate legal, fiscal, and cultural frameworks for the development of a sustainable market. International and European organisations and business communities are offering different initiatives to support the policy of sustainable consumption. In that regard, an important role is played by the programme of ensuring sustainable consumption and production for 10 years, supervised by the United Nations Environment Programme (UNEP) and the UN Department of Economic and Social Affairs (DESA) (United..., 2010). The European Council adopted the EU Sustainable Development Strategy in June 2006 which defined an action plan for sustainable manufacturing and consumption in Europe.

The economic environment (the level of economic development of the country or region, the living standards and employment of the population, etc.) undoubtedly make a direct impact on the development of a sustainable market.

The socio-cultural environment of a sustainable market is significantly affected by the integration of sustainability aspects into the managerial culture of business (e.g., the use of ISO 14001 and EMAS standards). As socio-cultural forces, common initiative groups that influence the consumers of green products are of great importance. Such groups include the World Business Council for Sustainable Development (WBCSD), Green Purchasing Network (GPN), or Environmental Data Book (The World..., 2001).

Thus, e.g., the Green Purchasing Network, founded in Japan in 1996, presently consists of about 2150 organisations, including Sony, Fuji Xerox, Toyota, Honda, Nippon Steel, Canon, and others. The GPN in the process of green purchasing is based on three principles: 1) ensuring of the environmental protection impact of the product at all stages of its life cycle, including reduced emission of harmful chemicals, re-use of the products, and the possibility of waste disposal; 2) bringing of the corporate and distribution channels into line with the environmental requirements; and 3) purchasing with a view to reduction of the impact of raw and other materials on the environment. The World Environmental Databook presents quantitative and qualitative information on the impact of products on the environment. Following that information, consumer can compare and select products by making a minimal impact on the environment (World Environmental..., 2010).

Natural and scientific-technological forces imply the development of new products and innovative technologies for the production and processing (recycling) of waste that reduce the negative impact on the environment. The use of the contemporary technologies of marketing communications for the education and information of consumers also provide opportunities for the development of sustainable markets.

It has to be emphasised that sustainable markets covers the consumers of both “sustainable” and “green” products which differ in terms of their contents. A “sustainable” product throughout its life cycle reduces the impact in the entire supply chain, while a “green” product is not harmful to human health, does not pollute the
environment, and creates less waste. Those products have respective ecological labeling (United..., 2010). Further, “sustainable“ and “green“ products we have definted in the article as ecological products.

3. Methods of stimulation of sustainable consumption in the system of product promotion

The literature on the issues of marketing presents promotion as one of the elements of the marketing mix. Analysis of the definitions of promotion as formulated by different authors (Kotler, 2003; Ramanauskiene, 2008; Pranulis, 2012 et al.), witnesses the insignificance of their differences. All the authors emphasise the establishment of a relation between the enterprise and the consumer (buyer). The summary of the opinions of the above-named authors results in the conclusion that the means of communication used in promotion are to inform consumers about the ecological products produced by the enterprise, to attract consumers to its market, and to convince them in the benefits of their ecological products as compared to the traditional ones.

The information related to the ecological product can be conveyed in the process of its eco-labeling in two ways: directly in the communication message and indirectly on the product packaging. There are many different schemas of product eco-labeling that appeared in the market not long ago. Reliable labeling of ecological products is a way of providing consumer with the rights or opportunities. Guided by the information on the label and/or in the message, consumer has the freedom of choice as to which products and from which manufacturer they would like to buy. The conveying of the information by means of an eco-label is much more effective than an article in a newspaper about the product and its impact on the environment (United..., 2010). The information about eco-friendly entrepreneurial activity can be reflected in the theses of the message of the “green” communication. The number of such theses has been growing rapidly (Alsmadi, 2007). As stated by Terra Choice Group (2009), over the last 20 years, the number of the “green” communication message theses increased almost tenfold, and almost thrice as compared to 2006.

The environmental information can be conveyed by messages in different styles: rational, emotional, or moralising, e. g., expressing concerns about the welfare of future generations. The message can be of an educational, empowering, or a persuading character. The character of the “green” communication forms the character of the “green” strategies. The implementation of the “green” strategies is carried out by means of respective marketing methods, techniques, and tools.

In fact, the market of ecological products does not distinguish itself by any special techniques or methods of promotion. The main function of the promotion of those products should be an emphasis on the exclusivity, uniqueness, and all possible ecological and other social advantages of the manufacturer and the production as compared with competitors. Marketing communications in the market of ecological products take place under the same scenario, by the same methods, and for the same purpose (see Fig. 1). The only difference is that all the methods of promotion are also necessary in order to explain to consumer what benefits are received from buying a ecological product.
Goals of marketing of ecological products

<table>
<thead>
<tr>
<th>Information (to inform consumer about the ecological products and to create a primary demand)</th>
<th>Highlighting (to highlight the benefits of the ecological products as compared with the competitors)</th>
<th>Benefit (to demonstrate the benefit of the ecological products to consumers)</th>
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<tbody>
<tr>
<td>Reminding (to make consumer consider the ecological product)</td>
<td>To convey to consumer the necessary information about the ecological products and to stimulate their purchasing</td>
<td>Creating of a positive brand image (to build a positive image of ecological product)</td>
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<tr>
<td>Convincing (to change the preconceived opinion of consumer with regard to ecological products and to choose a product)</td>
<td>Repeating the purchase (to increase the number of repeated purchases of ecological products)</td>
<td>Image building (building of the image and reputation of the enterprise-manufacturer of the ecological product)</td>
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Fig. 1. Goals of ecological product marketing

Thus, one can assume that one of the most important goals of the promotion of ecological products, i.e. to provide potential customers with the necessary information about ecological products and to stimulate their purchasing, shall provide favourable conditions for the manufacturers to create a primary demand for those products. To achieve the goals of promotion, a marketing mix is used, which, like the promotion itself, gets different definitions from different authors. In accordance with the opinion of Ph. Kotler (2003), a marketing mix is a complex of measures consisting of advertising, personal selling, sales promotion, and public relations used to achieve the objectives of marketing and advertising of the enterprise.

At the same time, as argued by P. Gluch et al. (2009), it is not easy to decide on the style and character of the “green” communication message and to choose a correct tool, therefore, it is necessary to consider and define what the tool means for a specific recipient. The communication message starts to develop as soon as the decision about the nature of the conveyed information and its style and appeal is taken (Gluch, 2009). To determine what actions for the promotion of ecological problems in the markets should be taken, 398 residents of Lithuania were surveyed. As proved by the data of the survey, 19% of the respondents got the information about the products on the radio, 24%, on TV, 14%, on the Internet, 25%, in exhibition and fairs, and 18%, in the trade networks. Merely 16% of the respondents noted that they were encouraged to buy ecological products by advertisements.

On the basis of the survey outcomes, we can assume that the demand for ecological products shall be affected by analogical methods and tools of promotion. Fig. 2 presents an authorial model of the ecological product promotion mechanism based on the use of contemporary end-consumer “pull” methods.
The manufacturers of ecological products are recommended to use the following methods of marketing communications in their promotion programmes: “green” advertising, public relations, sponsorship, Internet marketing, exhibitions, lobbying, as well as word of mouth advice and viral marketing.

“Green” advertising plays an important role in helping businesses to inform, persuade, and remind the existing and potential customers of the ecological characteristics of their manufacturing processes, operating systems, products/services, and other business events. In the communication messages, the manufacturer can use a variety of ecological persuasions. To quote Banerjee, Gulas & Iyer (Wagner, 2002), it may be a general statement related to the ecological performance of the enterprise, e.g., “we are now greener”; emphasis may be placed on the properties of the ecological product: “this is a biodegradable product”; or it can focus on production technologies and/or the methods of disposal: “our goods are produced using up to 30% recyclable materials”. Moreover, an ecological statement may be used which supports consumer well-being: “our product is made from natural ingredients that are not harmful to human health”.

Publicity. That is a method of free-of-charge communication with the selected groups of target audiences. By means of that method, the information about products,
services, or the activities of the enterprise is disseminated through the media. The main methods of information dissemination include newsletters, feature articles, press conferences, and presentations of authority figures. In newsletters, the manufacturer can provide brief information about the ecological product for the representatives of media, associations, or news agencies who can use it at their discretion for articles or broadcasts. Feature articles are special texts developed by the manufacturers about the ecological product and intended for publishing. Press conferences are events to which the manufacturer can invite people interested in the ecological product, mainly journalists, to disseminate the information through them. There are several types of press conferences, such as briefings or press releases for receptions. In briefings, where events over a definite period are discussed, one can present information about ecological products. Briefings can be organised systematically. Press conferences are also frequently attended by potential customers, partners, representatives of external groups of influence, etc. The opinion of authority figures (e.g., politicians) can be used when the message of the enterprise needs additional objectivity. Since public relations present information through media and politician initiatives, the community (the existing and potential consumers), as a rule, tend to trust that kind of information more than advertisements.

Sponsorship means actions when, with the aim of the goal achievement, individuals, organisations, or events are supported with financial resources and/or material values. As proved by the study of Z. Erdogan и P. Kitchen (Weis, 2007), enterprises act as sponsors for several reasons: to attract the attention of the press (79%) or TV (85%), to increase the brand awareness (79%), or to consolidate the image of the brand (77%).

Sponsorship can be rendered in two ways: directly or by cause related marketing. Cause related marketing means the use of a definite share of the price of the product for sponsorship. In that case, buyers are informed that part of the price of their purchases shall be used for the implementation of measures with the aim of improving the public welfare or the environmental protection. However, such actions cause a lot of doubts and criticism, as buyers (consumers) have to spend more money for the purchase of the product and to increase its turnover. One option is to help to protect the environment. That method of sponsorship is related to the provision of funds to individuals or organisations engaged in environmental protection on a non-commercial basis (ecological communities, ecological foundations or campaigns). Sponsor, as a rule, seeks to be identified with the sponsored organisation and its activities. In that way, sponsorship of environmental protection is integrated into other forms of marketing communications.

Internet marketing. The method integrates the traditional ways of communication: sales promotion, personal selling, advertising, and public relations. There are four ways of promotion: the enterprise website, banners, e-mail, and discussion websites. Quality websites are used to create a good image of the enterprise. Banners, small images (mainly in GIF or PDG format), perform the function of attracting attention and directing it to the sources of information. Discussion websites are used to exchange information. The most active discussion sites for the exchange of views can be combined into a single system, e.g., an Internet forum. E-mail makes it easy to
connect with the existing and potential customers or with the necessary group of the target audience and to receive or disseminate the current information. Other marketing tools to be used include newsletters, press releases, articles on specialised sites, and registration in various business directories.

**Exhibitions.** Exhibitions include such methods of marketing communications as sales promotion, personal selling, advertising, and public relations. An exhibition can be described as an event in which target audiences get acquainted with specific ecological products, different achievements, and new ideas in the field. During exhibitions, target audiences can learn about the achievements of the manufacturer in the development of ecological products, ecologically-oriented processes of the product manufacturing, the properties of the ecological product, and eco-labeling of the product, as well as make purchases. In the exhibitions, the information is directly conveyed to target audiences, and the feedback can be obtained: the views of the target customers, their needs and wishes.

**Lobbying.** Lobbying is a way of activity of the community members, its groups or individuals with the aim of influencing the decisions of the authorities: it can be undertaken by individuals or groups, known as groups of interest. Lobbying shall implement the following objectives: 1) the conveying of a relevant message, i.e. specific information that a specific group of people or an organisation wish to get to the authorities; 2) conveying the information in a proper (adequate) form (in writing or orally, by a consultant or a team leader); 3) providing information at the right time; and 4) providing an exact definition of the problem. Even if all the requirements are met, the objective may not be achieved if the lobbying group can not affect the solution to the problem (Andrikiene, 2002). All that relates to the lobbying for the promotion of an ecological product. It is desirable to have a representative of the authority include the issues of the environmental protection and sustainable consumption in his programme, which would mean successful lobbying.

**Advertising by word of mouth.** The method is characterised by two properties of interaction between the groups of the target audience: 1) an interaction which results in feedback; and 2) a source of information (e.g., friends) are considered to be more reliable than the enterprise which provides information about the ecological product. For the promotion of ecological products, other methods can also be used, e.g., viral marketing. In case of viral marketing, the consumer himself sends a message to his friends, and the message is spontaneously distributed within the target audience. Most frequently, references to the most attractive plots or texts are forwarded by means of computers or mobile phones (Anat, 2014). That is done by means of social media.

To sum up the outcomes of the analysis of the methods and tools of communications for sustainable marketing, one can argue that an important moment is to ascertain the credibility of different sources of information. The information that enjoys the greatest trust of the buyers (consumers) of ecological products is received from public relations, exhibitions, authorial articles and advertisements in specialised journals, advertising leaflets and catalogues, as well as on the Internet. The manufacturer, on the basis of the use of traditional and contemporary methods of marketing communications, can integrate the experience of consumers’ consumption.
5. Conclusions

1. Sustainable consumption forms groups of interested people, referred to in marketing as target audiences. For individual target audiences of a ecological product, the manufacturer can develop respective strategies of “green” communications. The strategies of the “green” communications reach target audience by means of a variety of methods and tools of marketing. To stimulate sustainable” consumption, the manufacturer of ecological products can use different end-consumer “pull” methods. The main “pull” methods include the “green” advertising, publicity, sponsorship, Interner marketing, exhibitions, lobbying, as well as advertising by word of mouth and viral marketing.

2. The practical application of the authorian model of ecological product promotion, based on the contemporary end-consumer “pull” methods, can serve as the key instrument for the development of the “green” marketing communication strategies and the marketing programmes of promotion. There is formed a ecological product support mechanism for the implementation of the management process reveals opportunities “sustainable” experience in the field of formation, can also be an incentive to protect the environment and improve the welfare of the population.

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