LUISS Guido Carli
LIBERA UNIVERSITA' INTERNAZIONALE DEGLI STUDI SOCIALI

Department of Business and Management

Chair of Web Analytics and Marketing

"WHEN LESS IS MORE"

A STUDY ON THE RELATIONSHIP BETWEEN A GREEN PRODUCT, THE PERCEIVED GREENNESS OF THE FIRM MANUFACTURING IT, AND CONSUMER PURCHASING BEHAVIOR

SUPERVISOR

Matteo de Angelis

CO-SUPERVISOR

Piermario Tedeschi

CANDIDATE

703691

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Acknowledgments

To my family. To those who left. To those who have just arrived. To those who will never leave. We might be a bit weird, but I wouldn't have it any other way.

To Luisa, you are my soulmate and best friend.

To Tommaso, thank you for always looking after me and for being my ride-or-die.

To Mattia, thank you for always standing by my side, no matter how hard I can make it. You are my best friend and I will never be able to put into words how much you mean to me and how much I love you.

To Chiara, we might have our ups and downs, but you will always be my Fabi.

To Emma and Camilla, you are the sweetest, craziest, and most caring people I know.

To Las Tejedoras and the Team of Casa Congo, thank you for welcoming me into your family. Thank you for making me believe in the hope for a better future. What you do is truly amazing. It is so rare to meet people with your same passion and dedication. Keep up the good work, you're doing amazing.

To you.

And to me.

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INTRODUCTION

The growing trend towards product and firm sustainability has paved the way to the birth of different routes of production and communication, which are being implemented by firms. The general concepts of Marketing and subsequent strategies, in their modern meaning, can be traced back to the first half of last century, when producers and providers started sensing that the market was changing, as consumers started to become more and more interested in the hedonic experience yielded by the product rather than in the physical product itself. That is when producers and firms started to seek new means in order to outshine their competitors, they started selling new concepts of products, they started selling promises, experiences and values (Packard, 1958)[1].

Considering the ever-growing and everchanging market tendencies, it does not come as a surprise that new views and concepts revolving around marketing have arisen during the decades.

This being said, in the beginning of last century, the market shifted towards a different view of consumption, and the same thing is happening now, with the arising threat of environmental degradation, new concepts of marketing are being explored, going into the direction of sustainability.

Consequently, in the 1980's the concept of Green Marketing was born, in reaction to a growing general concern towards "Corporate Social Responsibility" (Peattie and Crane, 2005)[2].

The aim of this study is to investigate whether there is a relationship between a green good and the consumer perception of sustainability of the firm delivering such good. Furthermore, this study wants to show if the above-mentioned relationship has an impact on consumer behavior expressed in terms of purchasing decisions.

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[1] *Packard, V., (1958 & 1989), "The Hidden Persuaders", The David McKay Company, Inc., New York*

[2] *Peattie, K. and A. Crane, (2005). "Green marketing: legend, myth, farce or prophesy?" Qualitative Market Research: An International Journal 8*

Lastly, the effect of this relationship is further explored by comparing two brands operating in the same market and showing how their differences in the perception of greenness linked to their product, affect the firms as a whole.

The first chapter is devoted to explaining the reasons and motivations behind this research, while giving some background information about the current environmental situation and why it is important to take action. In addition, the firms used as leverage are presented in this chapter.

The second chapter provides a review of the literature starting with an overview on the concept of marketing in general, to then further proceed in giving more detailed information about what Green Marketing is, as well as providing previous research on this subject. Then, the concept of Green Marketing is studied in relation to consumer behavior, and how the former mentioned discipline is changing the purchasing patterns, preferences, and expectations of modern consumers. Afterwards, the chapter delivers an explanation of the theory of Consumer Based Brand Equity and the effects of Green Marketing on the latter, expressed in terms of trust and loyalty. Lastly, this Chapter reports the conceptual model and the hypotheses proposed.

In conclusion, the third chapter is dedicated to the practical research. Therefore, it reports the research objective, the data collection method utilized, the analysis of the data collected, the results of this research as well as the concluding remarks.

CHAPTER 1

1.1 The Personal Motivations Behind This Research

Last summer, more precisely in July 2019, I had the chance to travel to Nicaragua and work as a volunteer for Casa Congo, an environmental conservation school based in El Astillero, a fishermen village located on the Pacific coast of Nicaragua.

Thanks to the team of Casa Congo I was introduced to Las Tejedoras, whose information can be found in section 1.3.1 of this Chapter.

I have immediately fallen in love with this cooperative of women and their purpose, and after spending a few minutes with them I wanted to know everything I could about them and their objectives. After a few days spent with them, talking to them, asking questions and watching them knit I was pleasantly surprised by their dedication and the impact they had on El Astillero's community and environment.

They told me that the idea behind their brand arose from their own preoccupation regarding the environment, as they were witnessing its progressive degradation due to the plastic scattered all over the place. They told me that they had heard about this group of women in Peru using plastic items picked up from the natural environment to create small object and accessories. They decided they wanted to do the same, but they were lacking the necessary skill to do so, thus they decided to go to Peru and talk to these women and learn everything about their practices, since they did not have enough money to fly to Peru, they all chipped in with what they could and bought a single plane ticket so that at least one of them could go and bring back all the information and manual skills they needed in order to start their business. And this is how it all started.

They also told me that at first, the local community was not happy about their doings, as a cooperation/ collective of women working for themselves was frown upon, so at first, it was hard for them to gather the necessary workforce. But they did not lose hope and started working with

the team they had, which was composed of 7 women, with the intent to show everyone that they were to be trusted.

As years went by, they started gaining more and more respect and appreciation from the community, who were starting to notice and acknowledge the changes that this cooperative was bringing to the small society of El Astillero. Las Tejedoras, ever since 2007, have managed to create jobs for the locals as well as preserving the environment. Now, their group has arisen to 22 knitters, plus the whole team of Casa Congo and their volunteers, who help them in the gathering of the plastics that they will then use to manufacture their products.

I am well aware of the fact that they will never be able to compete with Prada (the other brand taken into consideration for this research) in terms of product aesthetics and quality, yet what Prada -- and every brand that it stands for – is lacking, is the dimension of humanity and empathy.

I have lived my whole life immerged in the fashion industry, but I can safely say that I have never felt a sense of empathy and attachment to any of the clothes or accessories that I own, despite the brand supplying them.

1.2 Background

Current generations are paying the price of those who came before them, the lords of the Cold War, Consumerism and Globalization, those same people who thought that the Earth's resources were infinite, and that they were for them to take and exploit. For centuries, they have undertaken a "take, make, waste" attitude towards economic growth and development, and now the planet is suffering the downturns of this approach.

According to the United Nations Environment Programme (UNEP)[3], the global population has used up to 90billions tons of resources in 2017, and more than half of these resources were remitted into the environment as waste or discharge, and less than 10% were reinvested into the economy (*Figure 1*).
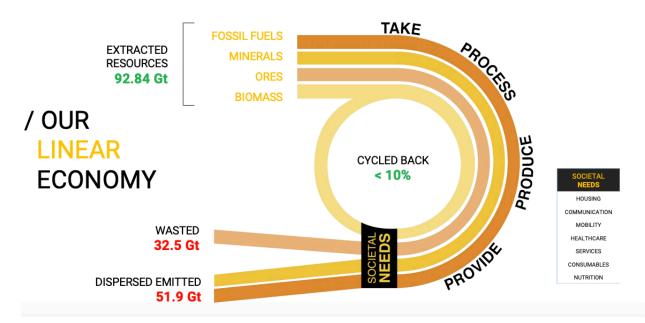
Figure 1: Circularity Gap Report 2018 (UN Environmental Programme, 2020, *Advancing Sustainable Consumption & Production: Circularity in the Economy of Tomorrow,* UNEP Resource Efficiency 2020+, p.7)

Moreover, the changes in population density have a huge impact on the environment. By 2030, 3 billion people will move out of poverty and join the global middle class. This 3 billion needs to be added to the existing 2 billion. This rise in density of middle class is not bad per se, if it means that people will outgrow poverty, yet this also means that more resources will be needed in order to meet the needs of this growing segment.

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[3] *UNEP, "Sustainable Production and Consumption Policies", United Nations Environment Programme, Online Article: https://www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/sustainable-consumption-and-production-policies*

The century going from 1950 to 2050 has witnessed and is still witnessing a rapid evolution in terms of construction and urban development and enlargement.

Cities and urban areas have been growing like never before, thus leading to climate change, which, in turn has forced the concept of sustainability to move from being "*something nice to do*" to being "*something that must be done*", sustainability is about what can be done in the present, in order to guarantee a safer future (Steve Howard, "*Let's Go All-In On Selling Sustainability,* TEDGlobal2013, Edinburgh, 2013)[4].

Going back to the change in status and in urban density, it can be argued that this revolution has intensified the appetite for the latest gadgets and products, which has led to an extreme rise in waste.

The strive for success initiated by Globalization and Consumerism has put a lot of stress on the environment, with big firms, brands and corporations using marketing to brainwash their customers, telling them how the products and services they provide will make them (each individual consumer) better than the next person. These firms and social media platforms are constantly broadcasting the need to have the biggest and most luxurious houses, the fastest cars, the most fashionable items of clothing and so on, but what is the downside to this speculative over-selling? As it has been said before, the change in trends in production have changed the composition of the ecosystem, and it comes to no surprise that as the demand on the part of the consumer increases, production has to increase as well, and an increase in the latter leads, on the one hand to an increase in the amount of waste produced, and on the other, to a further exploitation of already scarce natural resources (*Figure 2*). However, on the one hand, consumerism and globalization have created a society that has lost touch with the simplicity of health and happiness. On the other hand, those same big firms and corporations, which have been going with the flow of resource exploitation for their own benefits, are taking action in order to provide eco-friendly products and services that are also manufactured sustainably.

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[4] *Howard, Steve "Let's Go All-in On Selling Sustainability", TED Global 2013, Edinburgh, June 2013, Online Video: https://www.ted.com/talks/steve_howard_let_s_go_all_in_on_selling_sustainability*
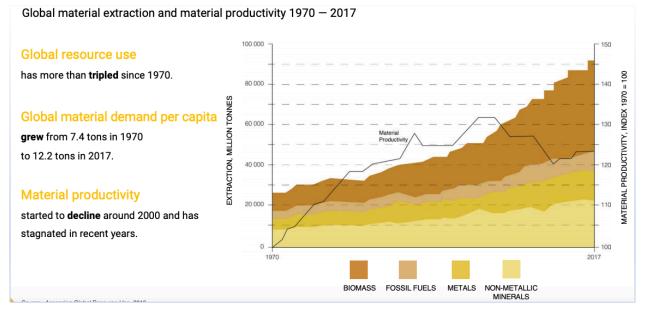
**Figure 2:** Global Material Extraction and Material Productivity 1970-2017 (UN Environmental Programme, 2020, *Advancing Sustainable Consumption & Production: Circularity in the Economy of Tomorrow,* UNEP Resource Efficiency 2020+, p.6)

In this regard, the concept of Sustainable Consumption and Production, developed by the Oslo Symposium in 1994, lies on the belief that it is possible to do more and do it better, while also using less resources. Moreover, this notion also stresses the importance of being able to separate the concepts of economic growth and environmental exploitation, which are too entangled as it is, in addition Sustainable Production and Consumption fosters and promotes resource efficiency as well as sustainable lifestyles.

> Sustainable consumption and production refers to "*the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations"*. (UNEP, "Sustainable Production and Consumption Policies", United Nations Environment Programme).

1.3 Case Study

1.3.1 Casa Congo and Las Tejedoras

If one decides to travel to Nicaragua, he or she might end up in El Astillero, a fishermen village, which hosts the headquarters of Casa Congo[5], an environmental organization and conservation school. Their mission is to empower local communities with the necessary skills and knowledge in order to take care of their native and local environment.

Casa Congo's practices revolve around four pillars:

1. *Ecology and Agroecology:* they operate in the Chacocente Wildlife Refuge, located in one of the biggest dry rainforests of the world. Their ecology programs involve the teachings of ecosystem preservation, restoration and agroecological practices. They hold classes on citizen science, and through these classes they were able to form the Brigata Ecologica, a group of young rangers whose aim is to preserve the local environment through the mapping of the local marine and land wildlife, regular beach clean-ups, and the reforestation of the much stressed Chacocente forest.

2. *Ocean Advocacy*: as a fishing destination, the preservation of the marine wildlife is one of their main goals. Their ocean advocacy program involves different practices carried on in order to educate, raise and create awareness towards the conservation of the sea, the support of the local ecosystem regeneration, and the promotion of marine wildlife conservation. In this regard they collaborate with local environmental government body and the community in order to come up with solutions which, educate, engage and protect (i.e. Weekly town and beach clean-ups from plastic and other discharges).

3. *Built Environments:* they provide specific training courses in low impact urban development, bamboo design and closed loop systems. Their aim with these courses is to teach to the local community and to whoever is interested, how to build using available and sustainable materials, thus without compromising the environment.

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[5]*Information about Casa Congo retrieved from their website* *https://www.casacongo.org/organization*

4. Community Development: they support the local community initiatives by providing the business support, the materials and the training programs in order to guarantee the flourishment of creative community projects. Casa Congo's main goal in this regard is to promote conservation in a way that is fun and engaging, yet still yielding meaningful sustainable outcomes.

In this regard, one of the projects they support is that of Las Tejedoras[6], which literally means "The Weavers"

The locals and their friends call them Las Tejedoras, but the original name of the organization is Iniciativa Tejendo por la Naturaleza (Knitting for Nature). They are a group of women based in El Astillero whose mission is to preserve the marine wildlife and to promote marine conservation by reducing the amount of plastic waste floating in the sea of their village.

With this initiative they were able to provide a job to the women in the community, fostering and promoting their economic development and independence, therefore allowing them to provide for themselves and their families.

Their production process is extremely green, as it does not involve the usage of any sort of technological nor electrical equipment.

With the help provided by the Team at Casa Congo, Las Tejedoras begin with the gathering of the materials, and together, they roam the streets and beaches of the local community searching for discharged plastic items. Before knitting their final products, they soften and sanitize the plastic. The sanitizing process is the least ecological step, as they utilize anti-bacterial products for obvious health reasons, nonetheless the implementation of these products is minimal, as this process also involves the usage of direct sunlight exposure and salted water.

Once the plastic has been sanitized and softened, it is ready to be knitted.

Their work has had a huge impact on the local environment so far, as one of their bags might use up to 500 plastic bags, which are therefore 500 plastic bags less discharged into the environment. This is a perfect example of an Extreme Green business.

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[6] *Information about Las Tejedoras retrieved from their website* *https://knittingfornature.weebly.com/*

1.3.2 Prada and it's Re-Nylon Collection

Moved by the changes affecting both this century and the planet, Prada has launched a collection called Re-Nylon[7]. Prada has reproduced its iconic bag using Econyl, a regenerated nylon thread.

This collection is manufactured through Prada's partnership with Aquafil, the latter produces Econyl, which is a nylon thread realized using plastic waste gathered from the oceans and old tapestries that are deconstructed and their original threads are regenerated into a new one.
This Econyl thread can be infinitely recycled thanks to the processes of depolymerization[8] and re-polymerization.

"I'm very excited to announce the launch of the Prada Re-Nylon collection. Our ultimate goal will be to convert all Prada virgin nylon into Re-Nylon by the end of 2021. This project highlights our continued efforts towards promoting a responsible business. This collection will allow us to make our contribution and create products without using new resources." – Lorenzo Bertelli, Prada Group Head of Marketing

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[7] *Information about Prada Re-Nylon retrieved from Prada's website*

https://www.pradagroup.com/it/sustainability/environment-csr/prada-re-nylon.html

[8]*Polymerization: any process in which relatively small molecules, called monomers, combine chemically to produce a very large chainlike or network molecule, called a polymer. The monomer molecules may be all alike, or they may represent two, three, or more different compounds. Usually at least 100 monomer molecules must be combined to make a product that has certain unique physical properties—such as elasticity, high tensile strength, or the ability to form fibers - that differentiate polymers from substances composed of smaller and simpler molecules; often, many thousands of monomer units are incorporated in a single molecule of a polymer.*

Moreover, Prada devotes a share of the turnover of the Re-Nylon Collection to projects aiming at creating solutions for environmental preservation. In addition, Prada, working closely with UNESCO, will develop educational activities for students from all over the world, in order to create promote interest regarding the environment, targeting the younger generations.

The outcome of this educational project will be a sensibilization campaign created by the students themselves.

- **Production Process of the Re-Nylon Collection**

The first step is that of the gathering of waste materials, fishing nets, old carpets and industrial discharges are sorted, divided and cleaned in order to gain as much recuperated nylon as possible.

Then, the nylon thread undergoes a process of chemical depolymerization, bringing the thread to its original state, the last step involves the re-polymerization of the recycled materials.

CHAPTER 2

Firstly, this chapter will give a brief introduction to the broader concepts of Marketing and Sustainable Marketing, in order to move towards a more detailed study of the concept of Green Marketing, with its multiplicity of definitions.

Secondly, the focus will shift on the changing trends in consumer behavior and how Green Marketing is affecting these changes. Thirdly, the concept of brand equity will be put in relation to Green Marketing and consumer trust and loyalty. Finally, the theoretical model is portrayed, together with the main research questions and hypotheses, and the main contributions of the research.

2.1 Marketing and Sustainable Marketing

2.1.1 Brief Introduction to the Definitions and Developments of the General Concepts of Marketing and Sustainable Marketing

Martin and Schouten (2012) hypothesize a three-stage evolution of the concept of marketing and consumption.

The first stage starts at the beginning of the industrial revolution, highlighting the philosophy stating that " if we can build it, then we can sell it"; later on, considering the crude and aggressive tactics used by firms in order to increase the sales of their products and services, the leitmotiv of this second stage became "let the buyer be aware". Finally, during the third and last stage, the focal point shifted towards the needs and wants of the consumer, starting to shape the current and modern definition of Marketing[9].

Emery (2012)[10] further develops the change in the definition of Marketing, by arguing that in the past, marketing was seen as the management process whose aim was to identify, anticipate and

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[9] Martin, D., Schouten, J., (2012). Sustainable Marketing. New Jersey: *Pearson*

[10] *Emery, B., (2012). Sustainable Marketing. England: Pearson.*

satisfy customer needs, while generating a profit for the firm. It was a managerial and social process involved in the exchange of goods between individuals and groups in order to maximize personal utility. However, nowadays, Marketing is seen as a strategic business function intended to create value by stimulating, facilitating and fulfilling customers' desires. These aims are achieved through the pursue of innovation, the development of relationship with the customer, and so on. This shift towards a more customer-oriented view has yielded higher returns on investments for firms, creating more competitivity within the market.

The concept of marketing has undergone many transformations, and it is continuously changing to meet the new trends in the market and in consumer behavior.
The latest definitions and business applications of marketing have been profoundly influenced by the ever-growing emergency of sustainability.
This merge between economics and sustainability has started in the second half of the last century (Steven Howard, 2013)[11]. Mr. Howard explains how the fast growing of urban areas, together with the fast and drastic changes in climate conditions have dramatically shifted the belief over sustainability from "*the NICE thing to do*" to "*something we MUST do*", therefore leading to the new concept of sustainability, which revolves around the "actions that can be done here and now in order to guarantee a later and forever".

The growing preoccupation concerning the environment has led to the creating of the concepts of Sustainable Marketing and Green Marketing.
Sustainable Marketing has rapidly become the focal point to ensure wellbeing and survival. The fast-growing emergence of globalization, with the Cold War and the struggle to gain Economical supremacy has led to a frenetic run towards innovation, with the incremental exploitation of the Earth's resources. Fasting forward to modern times, humanity is now running out of resources,

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[11] *Howard, Steve "Let's Go All-in On Selling Sustainability", TED Global 2013, Edinburgh, June 2013, Online Video: https://www.ted.com/talks/steve_howard_let_s_go_all_in_on_selling_sustainability*

as "humans are using up the Earth's resources much faster than those resources can be replenished" (Martin and Schouten, 2012)[12].

In accordance with this tragic view of scarcity and exploitation, the need for new forms of marketing is stronger than ever in order to develop a sustainable, healthy and long-lasting society (Emery, 2012)[13].

One of the first definitions of Sustainable Marketing can be traced back to the end of last century, and it defines it as "the process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products […] with the aim of satisfying consumer needs, while attaining organizational goals, through the implementation of measure that would be compatible with the ecosystem (Fuller, 1999)[14].

Slightly more than 10 years later, the concept of Sustainable Marketing is revisited in order to meet the more pending consumer and environmental needs. This "new" view is not much different from the former, yet it adds the focus on the needs of both current and future generations, by stating that Sustainable Marketing is considered as a "holistic approach, whose aim is to ensure those marketing strategies and tactics that are specifically designed to secure a socially equitable, environmentally friendly and economically fair and viable business for the benefit of current and future generations" (Emery, 2012).

THEN	NOW
1. Marketing is the management process whose aim is to identify, anticipate and satisfy consumer needs in a way that is profitable for both the consumer and the firm.	1. A strategic business function which creates value through the satisfaction, facilitation and fulfillment of consumer needs. Marketing as such, achieves these aims through the creation of strong brands, the development of relationships with

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[12] *Martin, D., Schouten, J., (2012). Sustainable Marketing. New Jersey: Pearson*

[13] *Emery, B., (2012). Sustainable Marketing. England: Pearson.*

[14] *Fuller, D. A., (1999). "Sustainable Marketing: Managerial-Ecological Issues". London: SAGE*

2. Both a social and managerial process which allows individuals and groups to fulfill their needs and wants through the creation and exchange of products and values with others.	customers, the creation of an efficient customer service and lastly, through the communication of brand values. With a more consume- oriented approach, marketing can yield positive returns on investments (ROIs), it can satisfy shareholders and stakeholders from both businesses and the community as a whole, and it can also contribute to positive behavioral change and a sustainable business for the future. 2. Marketing is seen as a management philosophy, based on the belief that the achievement of organizational goals depends on the determination of the needs and wants of customers and on the delivery of the desired satisfactions more effectively and efficiently compared to the competitors.

Table 1: *Definitions of Marketing:* adapted from Emery, 2012, p.8[15]

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[15] *Emery, B., (2012). Sustainable Marketing. England: Pearson, p. 8.*

2.2 Green Marketing

2.2.1 History and Definitions of Green Marketing

As mentioned above, the concepts of Sustainable and Green Marketing are a relatively new phenomenon.

The emergence of Green Marketing can be dated back to the second half of last century, and just like Sustainable Marketing, GM has undergone a number of changes and modifications in its activities throughout the years. When it was first born, all of the marketing activities implemented in this early phase revolved around trying to aid and resolve environmental issues, thus providing measures to tackle climate change. Then, with the fast-technological development, the concept of Green Marketing started to reshape itself, shifting its focus on *clean technologies*, with the growing importance of the creation of innovative (technological) means designed to reduce water and air pollution. Finally, the birth of the newest and modern definition of Green Marketing started in the late 1990s and early 2000s. According to this new view, firms started to become more concerned about their impact on the environment, thus leading to a need to develop quality products which would meet consumers' needs by focusing on the 4Ps of the Marketing Mix, while putting great emphasis on the concept of sustainability and waste reduction (Peattie, 2001)[16].

Although it might seem easy to identify a time-line of the birth and development of Green Marketing, it is less easy to come up with a clear-cut and universally approved scholastic definition of GM.

The American Marketing Association (AMA) defines Green Marketing as the production and sale of products that are compatible and safe for the environment (Yazdanifard, 2015)[17]. Furthermore, some scholars lay the foundations of GM, stating that it is based on the implementation of the 4Ps of the Traditional Marketing Mix in such a manner to meet customer

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[16] Peattie, K., (2001), "Towards Sustainability: The Third Age of Green Marketing," *Marketing Review, 2(2), pp. 129-147.*

[17] Yazdanifard, R., Mercy, I. E. (2011). *"The impact of green marketing on customer satisfaction and environmental safety". International Conference on Computer Communication and Management, Issue 5, pp. 637-641*

needs, organizational and business goals, all in respect of the environment, through the adoption of eco-friendly marketing strategies (Dangelico & Vocalelli, 2017)[18].

2.2.2 Reinventing Marketing: The "New" Green Marketing Mix and its Business Applications

Now that both the definition and development of Green Marketing have been clarified, it is important to contextualize its applications within the modern and contemporary marketing strategies. In other words, we are moving towards a different business application of the traditional marketing strategies. This being said, those companies that want to embrace sustainability and become "greener" need to sustain some basic yet fundamental changes regarding their production and distribution processes (Kotler, 2011)[19]. This brings us to the new and improved application of traditional marketing strategies such as the Marketing Mix. In this vein, the 4Ps need to be implemented from a more sustainable point of view:

-*Product:* Designers will have to choose materials and sources more carefully. Thus, developing more ecofriendly packaging in terms of biodegradability and disposability. Those firms that are able to demonstrate their concerns about their usage of energy, and physical supplies will also gain competitive advantage.

-*Price:* Environmentally concerned consumers show a higher WTP and lower price sensitivity, companies should keep this in mind when designing and pricing eco-friendly products and services. Moreover, such companies can have a wide range of products and pricing according to their levels of sustainability.

-*Place:* Companies will have to reconsider their allocation and distribution facilities. Environmentally friendly Companies should prefer e-commerce instead of physical facilities in

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[18] *Dangelico, R. M., Vocalelli D., (2017), "Green Marketing: An analysis of definitions, strategy steps, and tools through a systematic review of the literature". Journal of Cleaner Production, p 165.*

[19] *Kotler, P., (2011), "Reinventing Marketing to Manage the Environmental Imperative", Journal of Marketing, Vol. 75, pp. 132–135.*

order to reduce pollution by reducing the amount of people travelling to get to the physical retail store.

-*Promotion:* Last but not least, Companies should consider changing their Advertising strategies from physical, offline (i.e. billboards, flyers and newspapers) to online. Thus, reducing the usage of paper, ink and other resources. They will also need to go beyond advertising to promote and inform consumer about their environmental concerns. In the Green Promotion Process, Eco-Labels play a fundamental role, as Companies will need to be more specific about the ingredients and production processes involved (FuiYeng & Yazdanifard, 2015)[20].

Elements	Traditional Marketing Mix	Green Marketing Mix
Product	Developing the right product for the right market.	Designers will have to choose materials and sources more carefully. Thus, developing more ecofriendly packaging in terms of biodegradability and disposability. Those firms that are able to demonstrate their concerns about their usage of energy, and physical supplies will also gain competitive advantage
Price	Price setting must consider the kind of competition in the target market and the cost of the whole marketing mix.	Environmentally concerned consumers show a higher WTP and lower price sensitivity, companies should

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[20] *FuiYeng, W., Yazdanifard R., (2015), "Green Marketing: A Study of Consumers' Buying Behaviour in Relation to Green Products", Global Journal of Management and Business Research: E-Marketing, Global Journal INC publications, USA, Vol 15, Issue 5, pp 18, 19.*

	While taking in consideration the possible reactions of the consumers. If the consumers do not accept the price, the whole process is wasted.	keep this in mind when designing and pricing eco-friendly products and services. Moreover, such companies can have a wide range of products and pricing according to their levels of sustainability.
Place	It is involved with getting the right product to the target market. A product is not much good to the consumer if it is not available at the right time and place. A product reaches consumers through a channel of distribution	Companies will have to reconsider their allocation and distribution facilities. Environmentally friendly Companies should prefer e-commerce instead of physical facilities in order to reduce pollution by reducing the amount of people travelling to get to the physical retail store.
Promotion	It is concerned with telling the target market or others in the distribution challenge about the right product.	Last but not least, Companies should consider changing their Advertising strategies from physical, offline (i.e. billboards, flyers and newspapers) to online. Thus, reducing the usage of paper, ink and other resources. They will also need to go beyond advertising to promote and

		inform consumer about their environmental concerns. In the Green Promotion Process, Eco-Labels play a fundamental role, as Companies will need to be more specific about the ingredients and production processes involved

Table 2: *Traditional vs. Green Marketing Mix:* adapted from Cannon, J.P., McCarthy, J. E., Perrault, J. P., 2017, and Kotler, P., 2011[21]

Keeping in mind this novel approach to the 4Ps[22] of the marketing mix, firms and companies can evaluate their level of greenness based on the Green Marketing Strategy Model (Ginsberg & Bloom, 2004)[23]. This model evaluates the level of green activities carried out by firms and corporations, with respect to the four factors explained in the Green Marketing Mix. This model is helpful as it can answer two different questions for the firms applying it. On the one hand, it can help such firms in determining their level of greenness, while on the other, it can help them in the correct development of marketing strategies according to their desired level of eco-friendliness.

This model comprehends four different instances and levels of "greenness":

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[21] *Cannon, J.P., McCarthy, J. E., Perrault, J. P., (2017), "Essentials of Marketing: A Marketing Strategy Planning Approach", McGraw-Hill Education, 15th edition, pp. 510-530.*

[22] *Bhalerao, R. V., Deshmukh, A., "Green marketing: greening the 4 Ps of Marketing", International Journal of Knowledge and Research in Management & e-commerce, RG education society, India, vol 05, issue 02.*
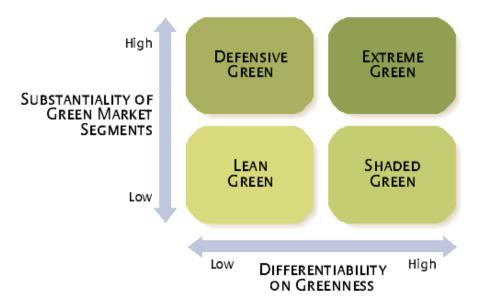
[23] *Ginsberg, J.M. and Bloom, P.N. (2004) 'Choosing the right green marketing strategy', MIT Sloan Management Review, Vol. 46, No. 1, pp.79–84.*

Figure 3: The Green Marketing Strategy Matrix (Ginsberg, J. M. and Bloom, P. N., 2004. *Choosing the Right Green Marketing Strategy.* MIT Sloan Management Review, p. 81)

- *Lean Green:* This term is linked to lower levels of greenness. Those corporations referred to as Lean Greens focus on being good citizens while refraining from excessively advertising their green actions. Their main interest in being green is on the improvement of efficiency through pro-environmental activities, while maintaining costs low. They comply with the regulations and aim at achieving long-term preemptive solution while creating a low-cost competitive advantage (i.e. *The Coca-Cola Corporation,* is implementing green activities on a small cluster of products);

- *Defensive Green:* These corporations usually apply green marketing strategies as precautionary measures, as a response to crisis, or as a response to the actions of a competitor. By implementing these measures, they seek to mitigate damage and increment brand image. They are well aware of the profitability of the Green Market, and they know that they should not ignore such market segment. They cannot use "greenness" as a way to differentiate themselves from their competitors, as their green activities are sporadic and temporary. Yet, unless

they realize that they can get a true and lasting advantage by going green, they will not embark in such activities in a substantial and continuous manner.

- *Shaded Greens:* These companies are characterized by profound investments on green projects that involve system-wide, long-term and environmentally friendly processes. These companies use the opportunities yielded by being green for developing innovative products and technologies, which will give them a strong competitive advantage. Yet, for these companies, being green is not the focal point, just added value, as they focus on other assets when promoting their products (i.e. *Toyota* did not mention the positive environmental implications of their new model when they launched the *Toyota Prius*). Therefore, these companies make profit focusing on different attributes, their involvement with the preservation of the environment is a secondary factor. In conclusion, these companies intend to provide benefit to their customers through tangible and direct attributes, and they usually choose mainstream distribution channels;

- *Extreme Green:* This is the highest level of greenness that a company can achieve. With Greenness being their core value and strongest asset. The greenness process is completely embraced and implemented throughout the totality of the company's activities. Companies on this level usually operate in niche markets, and their products are usually sold in stores owned by the company itself, or through special channels of product distribution and commercialization (Ginsberg and Bloom, 2004).

In conclusion, there is shared belief that the implementation of green market in strategies can help in the incrementation and strengthening of the emotional connection between firms and consumers. Being recognized as a green company can yield positive responses in public image, therefore enhancing sales and increasing stock prices (Ginsberg and Bloom, 2004).

In other words, if consumers can see a tangible involvement of firms in the preservation of the environment, such firms will form stronger bonds with consumers, leading to extensive growth on the part of the company.

2.3 Sustainable Marketing and Consumer Behavior

2.3.1 Introduction to the Concepts of Consumer Behavior and Sustainable Consumption

According to Martin and Schouten (2012)[24] Consumer Behavior can be motivated by both internal and external forces, reflecting social and physiological needs respectively. Moreover, Consumer Behavior can be seen as the totality of actions carried on by people when they engage in buying, using and disposing of goods and services. Moreover, consumer purchasing behavior can be further divided into five stages, starting with the realization of a need, passing to the active search on how to satisfy such need, after various solutions have been found, the latter will be evaluated, once the best solution has been chosen, we get to the last stage, which comprises everything that happens after the purchase has been made. Nonetheless, this purchasing process can be affected by factors such as marketing mix and situations, as well as personal, individual and psychological tendencies or preferences (Suplico, 2009)[25].

Subsequently, Martin and Schouten (2012) move on to giving a definition Sustainable Consumption, according to the two authors, this concept can be explained as something that meets people's (current) needs without compromising the ability of other people and future generations to meet their own needs (either now or in the future) […] In other words, individuals or households would not systematically contribute to environmental increases in synthetic substances or substances extracted from the Earth's crust. Their consumption would not contribute to increasing environmental degradation, and it would not in any way hinder the ability of other people and future generations to consume adequately and sustainably".

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[24] *Martin, D., Schouten, J., (2012). Sustainable Marketing. New Jersey: Pearson.*

[25] *Suplico, L. T., (2009), "Impact of green marketing on the students purchase decision". Journal of International Business Research; Volume 8, Issue 2, pp. 71–81.*

2.3.2 Consumer Behavior and Green Consumers

Green marketing has a huge potential in removing the barriers to sustainable living and lifestyles. By implementing the correct Green Marketing activities, it is possible to sell eco-friendly products to the ever-growing segment of sustainable consumers (Kotler, 2011)[26].

Just as the concept of marketing has been evolving over the years, the concept of Consumer has been changing as well.

Modern consumers, according to Saini (2013)[27], are gradually acknowledging that there is a pending need to take care of the environment, by taking responsibility and action.

This new trend in Consumer Behavior has led to the concept of Green Consumers.

Dono (2010) gives a definition of an earlier and more general notion of consumerism and then turns his focus on the new trend of what he defines as Green Consumerism, that being said, firstly, he argues that consumerism can be seen as a progress which has initially started as a practice undertaken in order to preserve consumers from the actions and operations of unethical businesses. Secondly, he acknowledges the changing nature of consumerism, by stating that by taking into consideration the new agenda regarding consumer attitudes and behaviors, it is easy to recognize the growing importance linked with the preservation of the environment (Dono et al., 2010)[28]. This change in behavior leads to a new cluster of consumers, which is defined by the concepts of green consumerism (Eriksson, 2004)[29] and green consumers. Bezotepe (2012) defines the latter as those who, on the one hand, actively support eco-friendly behaviors and

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[26] *Kotler, P., (2011), "Reinventing Marketing to Manage the Environmental Imperative", Journal of Marketing, Vol. 75, pp. 132–135.*

[27] *Saini, B. (2013). Green marketing and its impact on consumer buying behavior. International Journal of Engineering Science Invention, 2, pp, 61-64.*

[28] *Dono, J., Webb, J., Richardson, B., (2010), "The relationship between environmental activism, pro-environmental behaviour and social identity", Journal of Environmental Psychology, Volume 30, Issue 2, pp. 17-186.*

[29] *Eriksson, C., (2004), "Can green consumerism replace environmental regulation? —a differentiated-products example", Resource and Energy Economics, Volume 26, Issue 3, pp. 281-293*

attitudes, and on the other, as those who preferer green products over the standard options[30]. This latter thought is widely shared amongst the inherent literature, as Awan and Raza state that almost all consumers can be perceived as being green. Moreover, they assess that generally speaking, when a consumer is faced with choosing between two similar products, he or she will choose the eco-friendlier alterative, thus emphasizing the added value that eco-friendliness yields in the minds of consumers (Awan & Raza, 2011)[31].

Interestingly enough, many studies emphasize the role that gender plays in consumerism and environmental consciousness, with women being more concerned about the environment than their male counterparts (Kaufmann, Panni & Orphanidou, 2012)[32]. Moreover, it has been widely acknowledged that a variety of attributes, such as product features, precision of green claims, together with the information provided on the product and its advantages all play an important role when it comes to consumer choice and environmental concern (Suki, 2013)[33].

Taking into consideration the potentiality of gender on green consumer behavior, it has been demonstrated that when it comes to the purchase of consumer-packaged goods, women are the primary target audience, as they are the ones who take care of the shopping for the whole household.

Together with gender, product packaging also plays an important role in green consumerism and product sustainability, as consumer are progressively growing more and more conscious of environmentally-friendly packaging and are reshaping their attitudes as a consequence (Mercy & Yazdanifard, 2011). One example of this change in consumer behavior is that of water bottles,

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[30] *Boztepe, A. (2012). "Green marketing and its impact on consumer buying behavior". European Journal of Economic and Political Studies, 1, pp 5-21.*

[31] *Awan, U., & Raza, M. A. (2011). "Green Consumer Behavior: Empirical Study of Swedish Consumer Behavior". Retrieved from http://www.wseas.us/e-library/conferences/2011/montreux/icicic14.pdf*

[32] *Kaufmann, H., Panni, M., & Orphanidou, Y., (2012). "Factors Affecting Consumers' Green Purchasing Behavior: An Integrated Conceptual Framework". Retrieved from http://www.amfitteatrueconoimc.ro/temp/atricle_1100.pdf*

[33] *Suki, N. M. (2013). "Green Awareness effects on consumer's purchasing decision: Some insights from Malaysia. Green awareness effect". Volume 9, pp. 50-63.*

with many consumers switching from purchasing single-use plastic water bottles to using refillable water containers and thermoses (FuiYeng & Yazdanifard, 2015)[34]. Another example is the growing trend in the implementation of reusable shopping bags for groceries. In this regard, according to a study conducted by Gittell, Magnusson and Merenda in 2015[35], consumers perceived bringing their own reusable bags to the groceries store as trendy, with more than two-thirds of the subjects in the study stating that they had gone from plastic bags to using reusable bags. In conclusion, Suplico (2009)[36] believes that both firms and consumers play an important role in when it comes to environmental issues through the distribution and purchase of green products. He goes on by focusing on the vital role of green consumers, and their tendency to refrain from buying products which might endanger human health, that may be involved in risky production processes, are a threat to the environment both in their nature and in their production process, that produce excess waste, are involved in the extraction of raw materials, that endanger both plants and animals as well as natural resources as a whole.

2.4   Consumer Based Brand Equity

That of Consumer-Based Brand Equity has become a fundamental concept in marketing and economics, as it useful in assessing brad strength according to consumers' attitudes and behaviors towards such brand. According to Aaker (1991)[37], CBBE can be defined as "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". The most widely adopted and well-known model of Consumer Based Brand Equity has been developed by

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[34] *FuiYeng, W., Yazdanifard R., (2015), "Green Marketing: A Study of Consumers' Buying Behaviour in Relation to Green Products", Global Journal of Management and Business Research: E-Marketing, Global Journal INC publications, USA, Vol 15, Issue 5, pp 18, 19*

[35] *Gittell, R., Magnusson, M., Merenda, M. (2015). "Sustainable business marketing". Retrieved from https://resources.saylor.org/wwwresources/archived/site/textbooks/The%20Sustainable%20Business%20Case%20Book.pdf*

[36]*Suplico, L. T., (2009), "Impact of green marketing on the students purchase decision". Journal of International Business Research; Volume 8, Issue 2, pp. 71–81*

[37] *Aaker, D.A. (1991) Managing Brand Equity, Free Press, New York.*

Professor Kevin Lane Keller (2001)[38]. According to the latter, the basic idea behind this model is that the strategic and economic strength of a brand relies upon what customers learn, feel, see, and hear about a certain brand over a period of time. Keller then simplifies the concept by asserting that "the power of a brand relies in the minds of customers" (p.3).
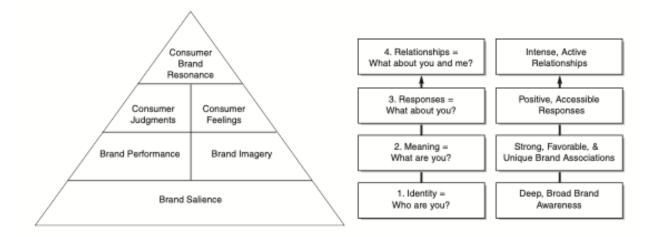

Figure 4: Customer-based Brand Equity Pyramid (L. K. Keller, 2001. *Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands.* Marketing Science Institute, Working Paper, Report No. 10.107, p. 7)

According to the above model, the development of a strong brand relies on four goals:

a) Establishing the appropriate brand identity through the establishment of brand depth and awareness;

b) Building a correct brand meaning through strong, favorable and unique brand associations;

c) Stimulating positive and accessible brand responses;

d) Establishing strong relationships between the brand and its customers.

In order to achieve the above-mentioned goals, a brand should be able to establish six brand-building blocks, which are also portrayed in the pyramidal model.

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[38] L. K. Keller, 2001. *Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands. Marketing Science Institute, Working Paper, Report No. 10.107, p. 7*

2.4.1 Brand Identity – Who Are You?

In order to achieve the correct brand identity, salience is essential.

Salience referes to the level of awareness that customers have of a brand, which depends on their ability to recall and recognize such brand (Keller, 2001).

Moreover, salience is essential for three main reasons, firstly, it influences the formation of associations in the minds of customers, which then lead to the creation of a strong identity and brand meaning. Secondly, salience influences the likelihood that a customer will take into consideration that brand during the purchasing-decision process. Finally, brand awareness in crucial in low-involvement purchasing processes, such process is characterized by a lack of either purchasing motivation or purchasing ability.

In conclusion, brand identity or brand awareness can be subdivided into two dimensions:

-*Depth:* how easily a customer can recall or recognize a given brand;

-*Breadth:* is the range of consumption situations in which the brand comes to mind, how many needs can a brand simultaneously satisfy?

2.4.2 Brand Meaning – What Are You?

Moving up the pyramid, the second step involves the establishment of a brand meaning by creating a strong brand image – which is a combination of tangible and abstract characteristics – physical characteristics and attributes of a brand, together with what it stands for in the minds of customers. In other words, brand meaning can be explained in terms of performance- related and functional characteristics as well as imagery-related and abstract considerations.

Brand performance refers to how the product or service provided by the brand can satisfy the needs of customers from a functional point of view in terms of product (a) *characteristics and features*; (b) *reliability, durability, and quality;* (c) *effectiveness, efficiency, and empathy*; (d) *style and design*; and lastly, (e) *price*. In other words, brand performance is a mixture of ingredients that characterize the brand and make it easier to be recognized and recalled.

On the other hand, brand imagery is based on the hedonic experience associated with a brand, how such brand can meet customers' psychological and social needs. Thus, brand imagery referes to more extrinsic and intangible attributes of a product or service. Brand imagery can be understood in terms of (a*) user profiles*, also known as consumer identity – who uses the product or service; (b) *purchase and usage situations* – type of channel utilized when purchasing the product or service, ease of purchase and associated rewards, together with when, where and in which type of activities the product or service is consumed; (c) *brand personality and values* – authenticity, excitement, competence, sophistication, and ruggedness; and finally (d) *history, heritage, and experiences.*

In order for a brand to create a durable brand meaning, it should also be able to establish strong, favorable, and unique brand associations in the minds of customers.

2.4.3   Brand Responses – What About You?

This refers to the ways in which customers respond to a brand, similarly to the stage of Brand Meaning, Brand Responses is based on a combination of rational judgments and hedonic brand feelings. The former corresponds to the customers' rational evaluation of a brand. Such judgments are formed through the merge of all the different performance and imagery characteristics described above in terms of Brand Meaning. On the one hand, customers form their more rational judgments with respect to a brand based on four key aspects: (a) *brand quality;* (b) *brand credibility* – expressed in terms of perceived expertise, trustworthiness, and likeability; (c) *brand consideration* – the degree of likelihood that a customer will actually purchase a specific brand; (d) *brand superiority* – compared to other brands.

On the other hand, brand feelings play an important role in the determination of brand responses. As such, brand feelings can be seen as the totality of emotional responses and reactions elicited by a particular brand (Kahle, Poulos, and Sukhdial, 1998)[39]. The spectrum of Brand Feelings is assessed in terms of (a) *warmth* – soothing feelings evoked by the brand; (b) *fun;* (c) *excitement*

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[39] *Kahle, R., Poulos, B., Sukhdial, A., (1998) "Changes in Social Values in the United States During the Past Decade," Journal of Advertising Research 28 (1) (February/March 1988), 35-41.*

– sense of energization provided by the brand; (d) *security* – eliciting feelings of safety, comfort, and reassurance; (e) *social approval* – which depends on peer acknowledgment of brand usage; and (f) *self-respect* – whether the product or service provided by the brand, or the brand itself make the customer feel better about themselves.

2.4.4 Brand Relationships – What About You and Me?

At the pinnacle of the pyramid there is Brand Resonance, which is the final step of the model. This refers to the level and depth of the relationship between the firm and its customers. In other words, it can also be identified as the level of synchronization between the firm and its customers (Keller, 2001).

Brand Resonance can be subdivided into four main categories: (a) *behavioral loyalty* – expressed in terms of repeated purchases and the share of valuable attributes linked to the brand; (b) *attitudinal attachment* – in order for a brand to create favorable and long-lasting relationships with its customers, it should become a loved brand or a favorite brand to its clients, in other words, it should be seen as something to look forward to; (c) *sense of community* and lastly; (d) *active engagement.* Keller puts a lot on emphasis on the fourth and last category, stating that "perhaps the strongest affirmation of brand loyalty occurs when customers are willing to invest time, energy, money, or other resources into the brand bey9nd those expended during purchase or consumption of the brand" (p. 15).

2.5   Conceptual Model and Hypotheses

Considering the above-mentioned literature, the conceptual model shows a green product and its cascading effects on consumer perception, purchase intention - and elements of the CBBE model, such as trust and loyalty. It is important to keep in mind that a Green Product is the final step of a process that involves attributes such as materials, quality and pricing and so on.

The purpose of this research is to test if a green product influences consumer perception in terms of the levels of greenness of the brand or organization manufacturing such product, thus also having an effect on consumer purchase intention, trust and loyalty.
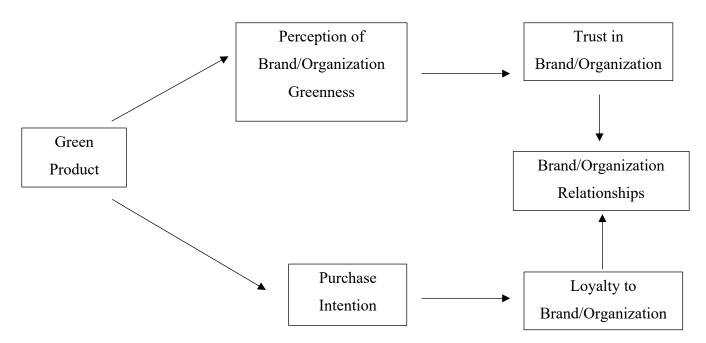
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┌──────────────────┐         ┌──────────────────────┐         ┌────────────────────┐
│                  │         │   Perception of      │         │     Trust in       │
│                  │    ┌───▶│  Brand/Organization  │────────▶│ Brand/Organization │
│                  │    │    │     Greenness        │         │                    │
│    Green         │────┤    └──────────────────────┘         └────────────────────┘
│    Product       │    │                                              │
│                  │    │                                              ▼
│                  │    │                            ┌────────────────────┐
└──────────────────┘    │                            │ Brand/Organization │
                        │                            │   Relationships    │
                        │                            └────────────────────┘
                        │    ┌──────────────┐                   ▲
                        │    │   Purchase   │    ┌────────────────────┐
                        └───▶│  Intention   │───▶│    Loyalty to      │
                             │              │    │ Brand/Organization │
                             └──────────────┘    └────────────────────┘
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Figure 5: *Conceptual Model*

2.5.1   Green Products and Consumer Perception of Greenness of Manufacturing Brands and Organizations

The first argument is that a Green Product, one which meets consumer standards of sustainability has a positive effect on the way consumers perceive the Brand or Organization in terms of Greenness. In other words, can a Brand or Organization manufacturing a Green Product be seen by consumers as Eco-friendly considering the sustainable product they provide?

H1: A Green Product has a positive effect on the perception of Greenness of the Brand or Organization itself.

2.5.2   Green Brands/Organizations and Trust

According to Chaudhuri and Holbrook (2001)[40], brand trust can be understood in terms of the willingness of the consumer to rely on the ability of the firm to comply with its stated performance attributes. In this view, the firm should be honest and transparent about what it can actually do in order to meet and satisfy customer needs. Thus, brands should be able to truthfully communicate its values to their target market (Doney and Cannon, 1997[41]; Chiu et al., 2010)[42]. Moreover, those brands and organizations that are perceived as Green, those which are able to meet the desires and needs of their consumers in a "green way", yield more trust in the minds of customers, thus eliciting positive responses (Davari and Strutton, 2014)[43].

Assuming that the first hypothesis (H1) is correct, this argument relies on the idea that Green Brands or Organizations, will elicit more positive feeling of trustworthiness in the minds of consumers.

H2: A Brand or Organization that is perceived as green will have a positive effect on trust

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[40] *Chaudhuri, A. and Holbrook, M.B. (2001) "The chain of effects from brand trust and brand effect to brand performance: the role of brand loyalty", Journal of Marketing, Vol. 65, No. 2, pp.81–93.*

[41] *Doney, P.M. and Cannon, J.P. (1997) "An examination of the nature of trust in buyer-seller relationship", Journal of Marketing, Vol. 61, pp.35–51.*

[42] *Chiu, C.M., Huang, H.Y. and Yen, C.H. (2010) "Antecedents of online trust in online auctions", Electronic Commerce Research and Application, Vol. 9, pp.148–159.*

[43] *Davari, A., Strutton, D. (2014) "Marketing mix strategies for closing the gap between green consumers' pro-environmental beliefs and behaviors", Journal of Strategic Marketing, Vol. 22, No. 7, pp.563–586.*

2.5.3   Green Product, Purchase Intention and Brand Loyalty

Brand loyalty is one of the main components of Brand Equity, as it is the ultimate trigger which makes the customer choose the product of one brand over that of a competitor (Keller, 2001)[44]. In this regard, Green Marketing Strategies are helpful in creating positive brand associations for customers, which in turn leads the latter to repeatedly purchase the product or services provided by such a brand or organization, thus increasing brand loyalty (Ginsberg and Bloom, 2004)[45]. Green Brands and Organizations can positively enhance brand loyalty in many ways, such as designing green products and services according to the needs, wants and desires of green customers, both in terms of production process, composition, and pricing (Davari and Strutton, 2014)[46]. This being said, if Green Brands and Organizations are able to completely satisfy the green exigences of their green customers, they will be able to increase brand loyalty. This leads to a third set of hypotheses:

H3: Consumers are willing to buy a Green Product

H3a: If consumers are satisfied by the green product and its attributes, they will engage in repeated purchases from the Brand or Organization providing such product.

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[44] *Keller, H., L., (2001). "Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands". Marketing Science Institute, Working Paper, Report No. 10.107, p. 7*

[45] *Ginsberg, J.M. and Bloom, P.N. (2004) 'Choosing the right green marketing strategy', MIT Sloan Management Review, Vol. 46, No. 1, pp.79–84.*

[46] *Davari, A., Strutton, D. (2014) "Marketing mix strategies for closing the gap between green consumers' pro-environmental beliefs and behaviors", Journal of Strategic Marketing, Vol. 22, No. 7, pp.563–586.*

2.5.4 Loyalty, Trust and Brand Relationships

Following the model presented by Professor Keller (2001)[47], brand loyalty and brand trust positively influence the level and degree of the relationship which links the firm to its customers and vice versa. Assuming that the hypotheses on trust and loyalty are met,

H4: Green Brands and Organizations providing Green Products can form positive Brand Relationships with customers.

2.5.5 Moreover, One Last Set of Hypothesis

This research will propose a comparison between two firms, one is a small local business, the other is famous multinational. These two firms compete in the same market (fashion) and propose similar products (bags made out of recycled plastic).
Both firms and their respective products will be analyzed and compared according to the above-mentioned hypothesis. In conclusion, the last set of hypotheses wants to test whether these two firms score differently and if one is perceived better compared to the other, in terms of green product, green perception of the firm, purchase intention of firms' products, brand trust and brand loyalty.

H5: The Small Organization providing Green Products score higher in terms of Greenness perception compared to its multinational counterpart;

H5a: The Small Green Organization will score higher in terms of trust compared to its multinational counterpart;

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[47] *Keller, H., L., (2001). "Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands". Marketing Science Institute, Working Paper, Report No. 10.107, p. 7*

H5b: The Small Green Organization will score higher in terms of purchase intention compared to its multinational counterpart;

H5c: The Small Green Organization will score higher in terms of repeated purchase compared to its multinational counterpart;

H5d: The Small Green Organization will be more likely to form positive relationships with consumers.

CHAPTER 3

3.1 Research Objective

The research intends to investigate the relationship between Green Businesses and consumer purchasing behavior.

Previous research on the relationship between environmentalism and consumption has highlighted a growing tendency on the part of consumers to change their behavior towards a greener approach, as the issue of sustainability and environmentalism has become the hot topic of this century. Based on this change in consumption patterns, firms and businesses are adapting themselves in order to meet the greener demands of consumers. They are doing so by adopting green marketing tools, therefore offering more sustainable products and services which are manufactured, distributed and priced according to the higher standards linked with the concept of environmentalism and environmental preservation.

Building on these findings, this research aims at understanding how consumers evaluate green products, what attributes they should have in order to be considered green, and how their purchasing behavior changes the general relationship between firm perceived environmentalism, expressed in terms of the green products they provide, and consumer behavior. It does so by comparing two allegedly green products of the same typology (i.e. fashion accessories), one provided by a small Nicaraguan cooperative (Las Tejedoras), and the other manufactured by a leading brand in the fashion industry (Prada). With the above-mentioned comparison, the objective of this study is to investigate *whether* similar products competing in the same market can be perceived differently, in terms of eco-friendliness and sustainability, by the subjects in the sample. Building on this comparison, and if this difference exists, one further matter to investigate is which Brand is perceived as "greener", and if these higher levels of greenness influence the respondents' purchasing behavior.

3.2 Methodology

3.2.1 Data Collection

In order to investigate the differences in perception of greenness towards the inquired Brands, and whether these differences lead to further alterations in purchasing behavior, the data were collected through an online survey distributed using different tools, such as social media platforms and word of mouth. 191 subjects were reached. The sample can be characterized as follows: 75 men (37.97%) and 116 women (62.03%) with 183 Europeans (95.8%) of which 168 Italians (91.8%) and 15 non-Italian (8.2%), and 8 (4.25) non-Europeans. The age of the respondents spanned to 15 to 67 years of age, with 111 participants (58.11%), aged between 15 and 25 years old.

3.2.2 Survey Structure

The survey was made up of four blocks: Block 1 which was undertaken by the totality of the participants (all 191 of them), was designed in order to gain insights on different aspects. The first few questions were devoted to understanding what the respondents' general thoughts on the subject of sustainability are, in terms of information, interest, care, and preoccupations regarding current environmental issues. Moving on, the focus shifted on the respondent's lifestyle (whether they think it is "green" or not) and the motivations guiding them towards an eco-friendlier lifestyle. Then, they were asked to answer questions regarding what attributes they believe a green product should have in order to be defined as such. Finally, the last questions of the first block were designed as an introduction to the following blocks, as respondents were told to imagine that they were looking for an accessory to purchase (i.e. a bag), and asked what attributes guide their decision making process when it comes to the purchase of such item, and to what extent they care about the product's sustainability.

Block 2 and 3 were randomized, as a consequence of this randomization, block 2 was submitted to 93 of the respondents (48.69%), while block 3 was completed by the remaining 94 respondents (49,21%).

Block 2 presented the picture of a bag from Prada's Re-Nylon collection, with a subsequent description of the product portrayed ("*Prada launches a pioneering new project, Re-Nylon, introducing a sustainable line of iconic Prada bag silhouettes executed in a unique new regenerated nylon, ECONYL®. ECONYL® yarn, through a process of depolymerization and re-polymerization, can be recycled entirely, with no loss of quality*").

While Block 3 portrayed the picture of a bag produced by Las Tejedoras, with the following description of the product: "*In El Astillero, Nicaragua, there is a community of women called Las Tejedoras (The Weavers), who use plastics gathered form the ocean and the surrounding rainforests in order to create accessories.*

Their aim is that of diminishing the amount of plastic scattered in the environment, recycling such plastic in a creative way.

Before being knitted, the plastic is sanitized and softened.

The bag in the picture has been hand-knitted by Maria, and it has been realized by using 135 plastic bags."

Both blocks presented the same questions, investigating what attributes guided their decision in purchasing the item viewed, their willingness to purchase the product, their willingness to pay a premium price for such product, whether they would engage in repeated purchases from the same brand, and finally, whether they perceived the brand as a whole as eco-friendly (based on the information given about the products shown).

The fourth and final block concerned the respondents' generalities.

3.2.3 Analysis

The answers are recorded with a 5-point scale, with 1 being the minimum score, describing extreme negative levels, 3, which is the mid-value is considered to be the Neutral value, therefore describing indifference to the matter proposed, while 5 is the highest level of positivity and agreement. The scores are calculated taking into considerations the tails as together, in other

words, with 3 being the neutral value, the answer mean is compared to the mid-value, meaning that any Mean>3 will be considered as acceptable.

3.3 Results

3.3.1 General Thoughts

∗ **Information, Importance and Preoccupation.**

The data gathered show a surprisingly neutral level of information regarding current environmental issues, with a mean value slightly above the Neutral value, and a low standard deviation, meaning that the data points are not dispersed but tend to be close to the mean value *(MeanInformaiton= 3.18; stdDeviationInformation= 0.82)*. More specifically, 90 (47.12%) of the respondents declare that they are neither informer nor uninformed when it comes to environmental matters.

Moreover, despite the lack in extreme interest by the majority of the respondents, there sems to be a common agreement about the importance of environmental preservation, with 158 respondents (87.72%) stating that it is extremely important to take care of the environment. This is further supported by the large mean value and the small standard deviations. The mean is well above the mid-point (3) and almost close to the maximum point (5), with a small standard deviation, confirming respondents' agreement *(MeanImportance= 4.80; stdDeviationImportance= 0.49)*.

Finally, the respondents were asked to evaluate their level of preoccupation regarding current environmental issues. The issues proposed will be presented as follows in decreasing order:

Position	Matter	Minimum	Maximum	Mean	Standard Deviation
1	*Water Pollution*	1	5	4.49	0.71

2	*Climate Change*	1	5	4.39	0.87
3	*Use of Plastics and Derivatives*	1	5	4.39	0.92
4	*Chemical Waste Production*	1	5	4.33	0.85
5	*Air Pollution*	1	5	4.27	0.84
6	*Excessive Employment of Natural Resources*	1	5	4.18	0.99
7	*Use of Chemical Products*	1	5	4.08	0.99

Table 3: *Preoccupation regarding environmental issues*

∗ **Lifestyle and Motivation**

This set of data shows the discrepancy between thought and action. While the majority of respondents seems to believe in the importance of environmental preservation, slightly more than half of the respondents (51.82%) state that they conduct a lifestyle that can be considered neutral in terms of eco-friendliness, with 32 (16.72%) scoring either 1 or 2 (*MeanLifestyle= 3.16; stdDeviationLifestyle = 0.80*).

One further point of investigation regarded the motivations that guide people towards the adoption of green solutions, whether big or small those might be. The data collected on the matter of motivation shows that, as far as the sample goes, green motivations are extremely altruistic, this is also proven by the low mean scores associated with those motivations linked to self-interest or futile reasons.

Position	Motivation	Minimum	Maximum	Mean	Standard Deviation
1	*I do it for the well-being of future generations*	1	5	4.32	0.80
2	*I do it for the well-being of society as a whole*	1	5	4,16	0.86
3	*I do it to feel better about myself*	1	5	3.25	1.23
4	*I do it to avoid feeling guilty*	1	5	2.51	1.28
5	*I do it out of peer-pressure*	1	5	1.68	1.00
6	*I do it because it is trendy*	1	5	1.39	0.85

Table 4: *Motivation behind lifestyle*

It is interesting to notice how the mean values of the last three motivations (I do it to avoid feeling guilty; I do it out of peer-pressure; I do it because it is trendy) are pending almost entirely towards complete disagreement.

* **What Makes a Product Green?**

Respondents were asked to express their opinion regarding the attributes that a product should possess in order to be considered green. They were shown 7 statements about product attributes and were asked to mark their agreeance on a 5-point scale. The results are reported below, ranked in decreasing order.

Position	Statement	Minimum	Maximum	Mean	Standard Deviation
1	*It should be produced according to environmental laws and regulations*	1	5	4.52	0.71
2	*It can be entirely recycled*	1	5	4.45	0.84
3	*It should be produced through a sustainable production process*	1	5	4.41	0.77
4	*It is realized with recycled materials*	1	5	4.36	0.77
5	*Its production does not exploit animals*	1	5	3.95	1.11

6	*Its production does not exploit the workforce*	1	5	3.83	1.21
7	*Its production does not exploit natural resources*	1	5	3.80	1.14

Table 5: *What makes a product "sustainable"?*

∗ **Purchasing Scenario – Imagine that you are looking for a Bag**

The respondents were asked to imagine that they were looking for an accessory to purchase, more specifically, a bag.

The first question regarded their level of interest in the hypothetical bag's sustainability.

The result of this first inquiry shows that the respondents do not care about the product sustainability when they are not specifically asked to purchase an allegedly sustainable product, as the mean value is below the neutral point (*MeanProductSustainability= 2.94; stdDeviationProductSustainbility= 1.12*). The data show that there are no numerical differences in people who care about the product's sustainability and those who don't, as the number of respondents who scored either 1 or 2, or 4 and 5 is the same (63 care and 63 don't).

Next they were asked to state how much they valued attributes such as price, materials, quality, crafting, country of production, product's sustainability and production process sustainability, when looking for an accessory to purchase. The table below reports the findings in decreasing order of importance.

Position	Attribute	Minimum	Maximum	Mean	Standard Deviation
1	*Product quality*	1	5	4.24	0.73

2	*Price*	1	5	3.93	0.87
3	*Crafting*	1	5	3.65	1.04
4	*Materials*	1	5	3.63	0.98
5	*Product's Sustainability*	1	5	3.33	1.09
6	*Production Process Sustainability*	1	5	3.26	1.14
7	*Country of Production*	1	5	2.99	1.33

Table 6: *Attributes influencing respondents' purchasing decisions*

Country of production is the only attribute with a mean level below the threshold, meaning that this attribute does not influence respondents' purchasing decisions.

3.3.2 Prada and its Re-Nylon Collection

∗   *Overview of Data Collected*

The picture portraying the bag from Prada's Re-Nylon collection was seen by 93 respondents, therefore all of the means are calculated on a total number of 93.

After viewing the picture and reading the product description, the respondents were asked to state which attributes would influence them the most in their decision-making process regarding the hypothetical purchase of such item.

It turns out, that the attributes that are considered as more striking involve the product's aesthetic, quality and materials used.

Position	Attribute	Minimum	Maximum	Mean	Standard Deviation
1	*Aesthetics*	1	5	4.25	0.92

2	*Quality*	1	5	4.23	0.94
3	*Materials*	1	5	3.94	0.95
4	*Price*	1	5	3.92	0.85
5	*How it makes me feel*	1	5	3.63	1.24
6	*Uniqueness*	1	5	3.26	1.30
7	*Country of Production*	1	5	2.99	1.35
8	*Brand*	1	5	2.82	1.39

Table 7: *You Consider the product as very appealing, to what extend do the following attributes influence your purchasing decision?*

Interesting enough, the Brand name does not seem to play a role (in this case) in purchase intention.

Next, the respondents were asked to rate their willingness to purchase Prada's bag, taking in consideration the information provided about the products' composition and, surprisingly, the fabric that is used to craft the bag does not play an important role on the respondents' purchasing decisions, as knowing about the bags' composition does not convince them to purchase the item. This is also shown by the mean value, which is slightly above the Neutrality threshold, thus not making this an important attribute in influencing respondents' willingness to purchase (*Mean*= 3.16; *Std Deviation*= 1.18).
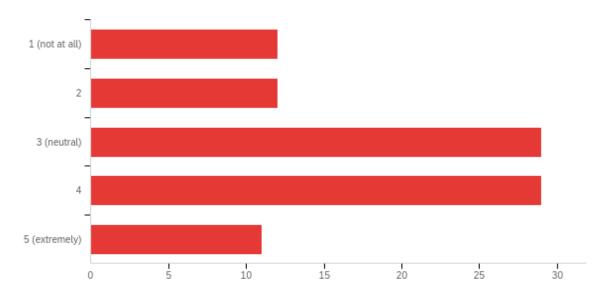
Chart 1: *To what extent would you be willing to buy Prada's bag considering the information about its materials and production? (Mean= 3.16; std Deviation= 1.18)*

As shown in the table above (**Table 5**), *price (Mean*= 3.92; *std Deviation*= 0.85) is an important attribute affecting the purchasing decision process of the item.

In this regard, respondents were asked to state their willingness and availability to pay a premium-price (a higher standard price for a good which is perceived to be of higher quality than standard) knowing that they would be purchasing an eco-friendly product. Of the 93 respondents, 45 which account for the 48% of the sample, would not be contrary to paying a premium price when purchasing an eco-friendly product, 32.26% of the respondents would not agree nor disagree, while the remining 19,35% would definitely not accept paying a premium price. This can be seen from the chart below (**Chart 2**) and by the again low score of the mean value, which amounts to 3.39 with a standard deviation of 1.04. The high standard deviation is due to the fact that the majority of the respondents were spread out mostly to 3 and 4.
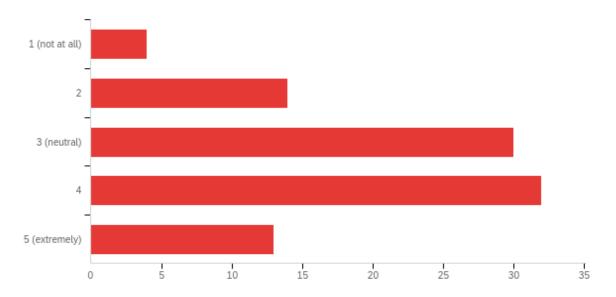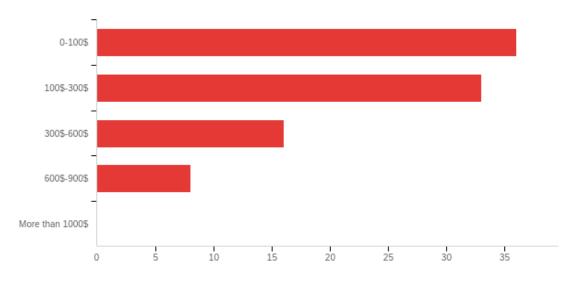
Chart 2: *Would you be willing to pay a premium price (a higher than standard price for a good which is perceived to be of higher quality than standard) knowing that you are purchasing an ecofriendly product? (Mean= 3.39; std Deviation= 1.04)*

This being said about price and premium price, only 25.8% of the respondents would be willing to pay more than 300$ for the bag, while the remaining 74.19% would not be willing to overstep the 300$ threshold, ad of these latter 69 respondents', 38.71% would not be willing to pay more than 100$ for the bag (*Mean*=1.96; *std Deviation*= 0.95). In this case the maximum level is 4 and not 5, because nobody reported that they would be willing to pay more than 1000$.

As it can be seen from the chart below, the potential prices were divided into ranges.

Chart 3: *How much would you be willing to pay for the bag portrayed in the picture? (Mean=1.96; std Deviation= 0.95)*

 After asking the respondents' price ceiling for the acquisition of the bag, they were told the actual price of the item and then asked to report their willingness to buy. Turns out, that after receiving information about the real price of the bag, which amounts to 1200$, 81 respondents (87.09%) would not buy the bag, with only 1 respondent stating that he or she would definitely buy it. This negative propensity to buy is also explained by the value of the mean (*Mean=1.52; std Deviation= 0.84*).
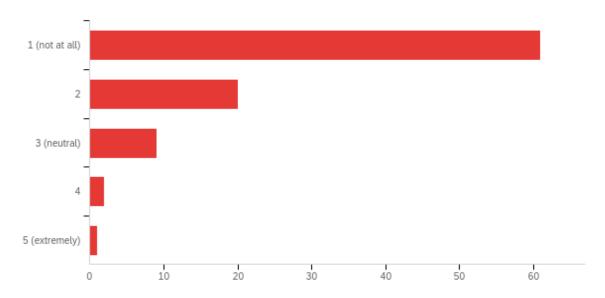
Chart 4: *The average price for a bag from the re-nylon collection is 1200$, to what extent would you be willing to buy one? (Mean=1.52; std Deviation= 0.84)*

Moreover, considering the results gathered from the above listed inquiries, respondents were asked to rate their likelihood of engaging in repurchasing activities from the brand (Prada), and only 11.82% of the sample would consider repurchasing any other product from the brand in question, while the remaining 67.44% would not buy anything else from the brand. This low mean value, lower than the neutrality point, indicates that Prada (in this case) was not able to establish a relationship of loyalty.
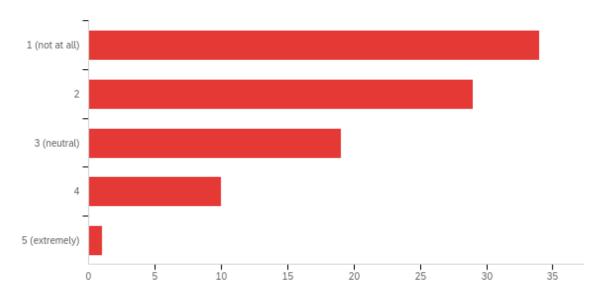
Chart 5: *To what extent would you consider repurchasing any products from this Brand (Prada)? (Mean= 2.09; std Deviation= 1.04)*

Lastly, considering the ecofriendly materials that the bags from the Re-Nylon collection are made of, the respondents were asked to evaluate their perception about the level of greenness of the brand itself. So, according to the sample, what is the answer to the question: *Considering the products portrayed, can Prada be considered an ecofriendly firm?* According to the data, the answer is no. The mean below the neutrality level indicates a somewhat aversion from the respondents' point of view in considering the brand in question as particularly eco-friendly and sustainable *(Mean=2.89; stdDeviation=1.16).*

In this case, the standard deviation from the mean is high, because as it can be seen in the chart below, the responses are distributed along all of the values, with the tails (1 and 5) having the same count (10 people judged it either extremely ecofriendly or not at all ecofriendly). While the rest being somehow evenly distributed between 2 and 3 – the neutrality value.

Thus, 38 people (40.86%) do not think that Prada can be considered an ecofriendly Brand, 27 (29.03%) are neutral, therefore lowering the mean score, and lastly, 30.1% of the sample (28 people) believes that the firm is ecofriendly.
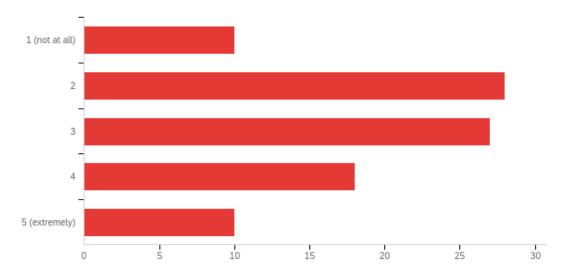
Chart 6: *Considering the products portrayed, can Prada be considered an ecofriendly firm? (Mean=2.89; stdDeviation=1.16).*

∗   ***Results of the Analysis from Prada Re-Nylon***

The hypotheses proposed in the Second Chapter will be listed and discussed one by one as follows:

- *H1: A Green Product has a positive effect on the perception of Greenness of the Brand or Organization itself.*

This is not true for Prada, as what can be seen from the above data analysis shows that at the end of the survey, even after having received all of the necessary information about the firm's green product (the Re-Nylon Bag), the mean value is still below the neutrality point, thus showing that the respondents do not perceive the brand in its entirety as ecofriendly, therefore *H1 is rejected,* as, according to the sample, it is not true that a green product has a positive effect on the perception of Greenness of the brand itself.

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- *H2: A Brand or Organization that is perceived as green will have a positive effect on trust*

Since *H1* has been rejected, *H2 is rejected* as a consequence, because the condition for this hypothesis to not be rejected was that *H1* was supposed to be correct.

Since Prada's eco friendliness from the respondents' point of view has not been proven, consequently, they would not trust the brand as an eco-friendly one.

Yet, Prada has scored highly on attributes such as product aesthetics, quality and materials.

- *H3: Consumers are willing to buy a Green Product*

This hypothesis *is rejected* as well, because although an initial compliance to the willingness to buy the product, which was based solely on the product composition (*Mean=3.16; std Deviation=1.18)*, and an overall willingness to pay a premium price for such product (*Mean=3.39; std Deviation= 1.04)*, once the actual price has been disclosed , the respondents reported that they would not be willing to buy a bag from the Re-Nylon collection (*Mean=1.52; std Deviation=0.84)*.

- *H3a: If consumers are satisfied by the green product and its attributes, they will engage in repeated purchases from the Brand or Organization providing such product.*

Considering that *H3 has been rejected as well*, indicating a general dissatisfaction regarding the green product. Further, the respondents have stated that they would not be willing to engage in further purchases from the brand, thus not stablishing any loyalty with the firm. Therefore, *H3a* is rejected as well.

- *H4: Green Brands and Organizations providing Green Products can form positive Brand Relationships with customers.*

Lastly, *H4 is rejected as well*, as the fundamental condition for it to not be rejected was that the above-mentioned hypotheses had to be correct. Since the brand has not elicited any feelings of trust, nor it has proven substantial capacity in establishing loyalty through repeated purchase, based on these factors, the brand - as it is not considered ecofriendly, even though it provides a green product - does not seem to be able to form positive brand relationships.

3.3.3 Las Tejedoras – una bolsa menos, una tortuga mas

*   *Overview of Data Collected*

The picture portraying the bag from Las Tejedoras was seen by 94 respondents, therefore all of the means are calculated on a total number of 94.

After having viewed the picture portraying the bag and having read the description of the product shown, the respondents were asked to evaluate the level of enjoyment in receiving certain information about the product.

The additional information given were the following: country of production (Nicaragua), the exact materials and composition of the bag (135 plastic bags), the production process (hand knitted), and the person who has manufactured that precise bag (Maria).

All of the information were considered interesting, as all of the mean values exceed the neutral point.

The statistics are displayed in the table below, from most to least interesting:

Position	Information	Minimum	Maximum	Mean	Standard Deviation
1	*Materials and composition (135 plastic bags)*	1	5	4.62	0.65
2	*Production process (hand knitting)*	1	5	4.31	0.88
3	*Country of production (Nicaragua)*	1	5	3.76	1.15
4	*Who manufactured it (Maria)*	1	5	3.62	1.34

Table 8: *To what extent did you enjoy receiving information about the product portrayed?*

All of the entries have a mean value satisfactorily above the neutral value, this indicates a good level of enjoyment and interest in receiving such additional and more detailed information about the product itself.

The information that have scored higher in terms of mean are those regarding the exact composition of the product and the material used, thus entry disclosing the number of plastic bags used in order to knit that bag *(Mean_135PlasticBags= 4,62; stdDerivation_135PlasticBags= 0.65),* as well as the production *process (MeanHandKnitted= 4.31; stdDeviationHandKnitted= 0.88.* The entry regarding the material and composition has been considered interesting (therefore with scores of either 4 or 5) by 87 respondents, amounting to 92.55% of the total number of respondents. While the information regarding the production process scored either 4 or 5 for 84.04% of the respondents.

Finally, the information regarding the country of production and the seamstress have generated less interest throughout the respondents, still maintaining a mean level above neutrality.

So as for Prada, the respondents viewing the product form Las Tejedoras, have continued the survey answering to the question regarding the attributes influencing their purchase decision of the product viewed. The data are shown in the table below in decreasing order, spanning to the most up to the least affecting attribute:

Position	Attribute	Minimum	Maximum	Mean	Standard Deviation
1	*Aesthetics*	1	5	4.19	0.99
2	*Quality*	1	5	3.99	0.97
3	*How it makes me feel*	1	5	3.90	1.19
4	*Uniqueness*	1	5	3.87	1.08
5	*Materials*	1	5	3.86	0.99
6	*Price*	1	5	3.64	0.97
7	*Brand*	1	5	2.73	1.23
8	*Country of Production*	1	5	2.72	1.23

Table 9: *You consider the product as very appealing, to what extent do the following attributes influence your purchasing decision?*

The data show that the Aesthetic attribute is the most influencing one (*MeanAesthetics=4.19; stdDeviationAesthetics=0.99)*, with 77 respondents over 94 acknowledging its importance, meaning that 81.91% of the respondents would consider purchasing the product based on its look. Quality comes second (*MeanQuality= 3.99; stdDeviationQuality= 0.97*), followed by Feelings Elicited (*MeanFeelings=3.90; stdDeviation=1.19*). It is interesting to notice how this latter attribute scored so high for Las Tejedoras, compared to Prada (*MeanFeelings= 3.63; stdDeviation= 1.24),* this difference is interesting as it might determine that the product from Las Tejedoras elicits more positive feeling compared to the Bag from Prada's Re-Nylon Collection.

Finally, the only attributes that do not seem to influence the ultimate purchasing decision are those regarding the brand and the country of production as their mean values are below the level of neutrality (*MeanBrand=2.73*; *stdDeviation= 1.23 and MeanCOP=2.73; stdDeviationCOP=1.23*).

Next, the respondents were asked to assess their likelihood to purchase the product from Las Tejedoras, taking into consideration the information gathered about the product itself and its production process. The result is that 53.19% said they would buy the bag. This positive response to willingness to buy is also explained by the mean value (*Mean= 3.57; stdDeviation=1.19*), which is not very far from the neutrality value, but it is satisfactorily higher in order to confirm a likelihood to purchase the product.
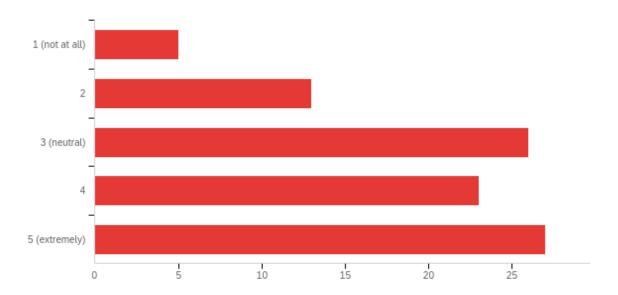

Chart 7: *To what extent would you be willing to buy Las Tejedoras' bag considering the information about its materials and the production process? (*value (*Mean= 3.57; stdDeviation=1.19*)

Turning the attention to *price,* as an attribute that might influence the purchasing decision, although it has a mean value (*MeanPrice= 3.64; stdDeviationPrice=0.97*) above neutrality (**see Table 9**), it does not seem to be one of the main influencing attributes as it falls behind other attributes such as aesthetics, quality, feelings elicited, uniqueness, and materials.

When it comes to price, 55.32% of the respondents affirm that they would be willing to pay a premium price in order to purchase the product from Las Tejedoras. The mean value regarding the willingness to pay a premium price is sufficiently higher than the neutral value point (*MeanPremiumPrice= 3.46; stdDeviation=1.01*).
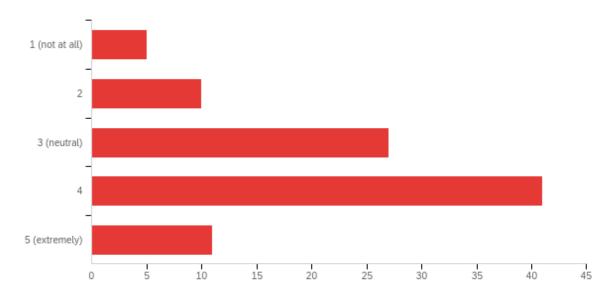

Chart 8: *Would you be willing to pay a premium-price (a higher than standard price for a good which is perceived to be of higher quality than standard) knowing that you are purchasing an eco-friendly product? (MeanPremiumPrice= 3.46; stdDeviation=1.01)*

Considering the results from price as an influencing attribute and the willingness to pay a higher than standard price, the respondents were asked to state what their price ceiling would be for the bag, that is, the maximum price they would be willing to pay in order to purchase the good, considering its predicted economical value, evaluated based on the information gathered so far about its composition and production process. The data show that the majority of the respondents would not pay more than 100$ for the bag.
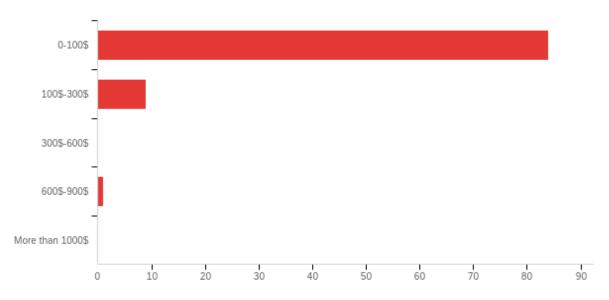
Chart 9: *How much would you be willing to pay for the bag portrayed in the picture?*
(Mean=1.13; stdDeviation= 0.42)
[*in this case the maximum value is 4 and not 5 because nobody said that they would buy more than 1000$ for the bag in question]

After discovering the respondents' willingness to pay, just as done for Prada, the next question gave the actual price of the bag, which amounts to 20$, and asked their willingness to buy after price disclosure. Subsequently to the acknowledgement of the actual price of the item, 58.51% of the respondents said they would buy the bag *(Mean=3.61; stdDeviation=1.35).* In this case, the standard deviation is high because even though the majority of respondents said that they would buy the bag, the remining are more or less evenly spread out the lowest scores (indicating low willingness to buy, this spread is shown in the chart below.
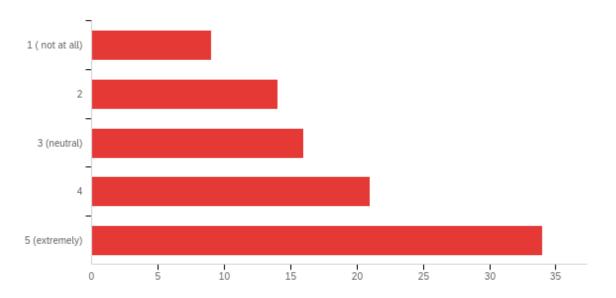
Chart 10: *The bag portrayed in the picture is 20$, to what extent would you be willing to buy it?* (*Mean=3.61; stdDeviation=1.35*)

Moving towards the end of the questionnaire, and keeping in mind the questions answered and the information gathered so far, the respondents were asked to assess their likelihood to continue purchasing from the brand, and it turns out that, interestingly, the same amount of respondents who that stated they would purchase the good shoed in the picture, also said that they would engage in repeated purchases from Las Tejedoras.

With 55 respondents (58.51%) asserting that they would consider purchasing other products from the Nicaraguan Cooperative.
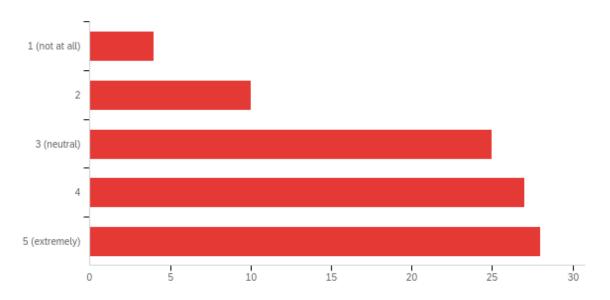
Chart 11: *To what extent would you consider repurchasing any products from this Brand (Las Tejedoras)? (Mean=3.69; stdDeviation=1.13).*

Finally, just like for Prada, taking into consideration the information about the product and its production process, respondents were asked to state to what degree they perceived Las Tejedoras as being an ecofriendly brand. The mean value of the responses is extremely high, almost close to the maximum value, meaning that the brand is perceived as extremely ecofriendly, thus making it an Extreme Green Brand to the eyes of the sample.
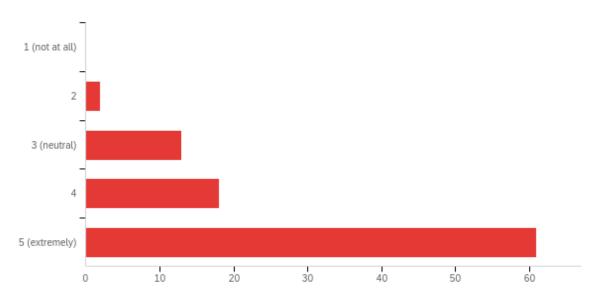
Chart 12: *To what extent do you consider the brand to be ecofriendly? (Mean=4.47; stdDeviation=0.81)*

[* in this case the minimum value is 2 because none of the respondents chose the extreme negative value, 1].

* ***Results of the Analysis from Las Tejedoras***

In order to keep everything as clear as possible, the hypotheses from Chapter 2 will be taken into consideration one by one as follows:

- *H1: A Green Product has a positive effect on the perception of Greenness of the Brand or Organization itself.*

This hypothesis is *not rejected*, as what can be seen from the above data analysis shows that at the end of the survey, after gathering all of the necessary information about Las Tejedoras' green product, the mean value of the sample perception of brand greenness is highly above the mid-value of neutrality (*Mean=4.47 > 3*) , thus showing that the brand is perceived as extremely green as a result of the product it provides. In conclusion, the Green Product provided by the firm does have a positive effect on the perception of greenness of the brand or organization itself.

- *H2: A Brand or Organization that is perceived as green will have a positive effect on trust*

Since *H1* was not rejected, *H2* is *not rejected* either, because the condition for this hypothesis to not be rejected was that *H1* was supposed to be correct.

By recognizing the Organization as an Extreme Green one, respondents prove that they trust the brand to be ecofriendly, therefore having high standards of sustainability when it comes to the finished product itself and the totality of its production process.

- *H3: Consumers are willing to buy the Green Product*

This hypothesis is *not rejected*, as the means for all of the variables regarding purchase intention had a mean value larger than the neutrality point. Moreover, the respondents' willingness to buy the product remained constant before and after price disclosure, meaning that even if the price proposed might be a little too pretentious considering the product provided, respondents would still consider buying the bag (they would even agree to paying a premium price for it). Furthermore, *H3* is no rejected because:

∗ Respondents' willingness to buy the bag considering the information about the its materials and production process (*Mean=3.57>3*)

∗ Respondents' willingness to pay a premium-price (*Mean=3.46>3*)

∗ Respondents' willingness to buy after price disclosure (*Mean=3.61>3*)

Thus, consumers are willing to buy the green product provided by the organization.

- *H3a: If consumers are satisfied by the green product and its attributes, they will engage in repeated purchases from the Brand or Organization providing such product.*

H3 was *not rejected*, confirming respondents' willingness to buy the organization's product, as the latter satisfies the subjects' criteria regarding a green product and its price affordability.

Moreover, the data analyzed show that 84.04% of the respondents said that they would definitely consider buying other product form Las Tejedoras (*Mean=4.47.3*). Meaning that they would engage in repeated purchases from the brand, thus creating a certain degree of brand loyalty.

- *H4: Green Brands and Organizations providing Green Products can form positive Brand Relationships with customers.*

Considering that all of the above-analyzed hypothesis have not been rejected, *H4* ought not to be rejected either. Since *H1* and *H3* - thus those hypotheses concerning brand trust and brand loyalty – have not been rejected, *H4* is not rejected either. Showing that the brand in question is able and probably would create positive relationships with their consumers.

Moreover, when respondents were asked to rate to what extent some attributes would affect their decision making when taking into consideration the purchase of a bag from Las Tejedoras, they stated that one of the most striking attributes was that regarding *feelings*. Meaning that they would consider purchasing the bag in relation to how the product made them feel. Feelings are fundamental in order to create positive and strong brand relationships.

3.3.4 Prada and Las Tejedoras – A Comparison

Having analyzed the two brands separately, they will now be put together and compared in order to check whether the last set of hypotheses proposed in Chapter Two are either rejected or not rejected.

The last set proposed that – compared to big multinationals - small organizations providing green products have a larger impact on consumer perceptions in terms of sustainability of the firm itself – consumer would therefore trust in the low environmental impact of the firm, increasing their positive feelings towards the latter; willingness to buy and continue buying the firm's products - thus increasing the likelihood of establishing some degree of loyalty; finally, if these assumptions are correct, it means that small and locally run organizations are more likely to be able to form strong positive relationships with their customers, compared to big multinationals. However, the conditio sine qua non for these hypotheses to be confirmed (not rejected), is that the hypotheses concerning Las Tejedoras are not rejected.

*- H5: The Small Organization providing Green Products score higher in terms of
Greenness perception compared to its multinational counterpart;*

Considering the data gathered for both Prada and Las Tejedoras, *H5* is not rejected for three
reasons.

1. *H1(Prada)* was rejected because the firm scored low on greenness perception, with a
    mean value below the neutrality threshold (*Mean=2.89<3; stdDeviation=1.16;)*
2. *H1 (Las Tejedoras)* was not rejected, as the respondents agreed on the high sustainability
    levels of the firm (*Mean=4.47; stdDeviation=0.81)*, with 79 people out of 94, therefore
    84.04% of the sample estimating the brand as extremely ecofriendly;
3. Finally, there is an obvious difference in sample means regarding the level of brand
    sustainability (*MeanTejedoras= 4.47 > MeanPrada=2.89).*

In conclusion, it can be affirmed that a small organization providing green products score higher
in terms of consumer perception of firm sustainability, compared to its multinational counterpart.

*- H5a: The Small Green Organization will score higher in terms of trust
compared to its multinational counterpart*

The above stated hypothesis is not rejected for the following reasons:

1. For this hypothesis to not be rejected, *H2 (Las Tejedoras)* would have to be <u>not rejected</u>.
    Since *H2(Las Tejedoras)* was not rejected, *H5a* is not rejected either.
2. *H2(Prada)* was rejected.

In conclusion, this hypothesis is not rejected, meaning that the small green organization has
higher levels of perceived trust from the respondents' point of views, as they trust the brand to be
ecofriendly, therefore being able to satisfy their needs in compliance with the high standards
linked with the attributes of sustainable products.

Moreover, by looking at the attributes of each product, what can be seem is that the good from
Las Tejedoras has a highest score on feelings elicited than Prada, meaning that the respondents

felt stronger positive emotions linked to the bag from Las Tejedoras, compared to magnitude of the emotions sprung from Prada's Re-Nylon bag (*MeanLasTejedoras=3.90 > MeanPrada=3.63*).

- *H5b: The Small Green Organization will score higher in terms of purchase intention compared to its multinational counterpart*

This hypothesis is not rejected because:

1. *H3(Prada)* was rejected, showing that, in the end, the respondents would not purchase the good portrayed in the picture

2. *H3(Las Tejedoras)* was not rejected, as the majority of the respondent would definitely buy the bag from Las Tejedoras, before and after price disclosure, and agreeing to paying a premium price for the product.

3. Respondents willingness to buy considering the information regarding the final good composition and its production process – *MeanLasTejedoras=3.57 > MeanPrada=3.16),*

4. Respondents willingness to pay a premium price for the product shown – *MeanLasTejedoras= 3.46 > MeanPrada= 3.39).*

5. Respondents' willingness to buy after price disclosure – 20$ for the bag from Las Tejedoras and 1200$ for Prada's Re-Nylon Collection item – *MeanLasTejedoras= 3.61 > MeanPrada= 1.52).* In this last consideration, price probably acts as a bias, considering the high cost of Prada's Bag.

Nevertheless, even if point 5 is not taken into consideration due to a possible price bias, *H5b* is not rejected, proving that respondents purchase intention regarding a small organization is higher compared to the one referring to big international corporations.

- *H5c: The Small Green Organization will score higher in terms of repeated purchase compared to its multinational counterpart*

Taking into consideration the data concerning repeated purchases for both Prada and Las Tejedoras, it is clear that:

1. For what concerns Prada, the respondents' willingness to purchase any other products from the brand is low, lower than the neutrality score – *Mean= 2.09; stdDeviation=1.04;*

2. Instead, the mean level of willingness to continue purchasing from Las Tejedoras is satisfactorily above the mid-value – *Mean=3.69; stdDeviation= 1.13.*

Moreover, turning to the hypotheses tested for this factor, since *H3a(Prada)* was rejected and *H3a(Las Tejedoras)* was not rejected, it is clear that small organizations do have the ability to stimulate consumers to continue buying from them, thus creating some degree of loyalty of the consumer towards the brand.

Finally, the last hypothesis states that:

- *H5d: The Small Green Organization will be more likely to form positive relationships with consumers*

Considering the positive results associated with *H5a* and *H5c* - regarding trust and loyalty respectively – this hypothesis is not rejected. As Keller's CBBE Model suggests, trust and loyalty are two fundamental factors in the establishment of strong and long-lasting brand relationships. Moreover, in order for a brand to create favorable and long-lasting relationships with its customers, it should become a loved brand (Keller, 2001). Going back to the spectrum of feelings, it has been seen that the bag from Las Tejedoras has elicited positive feelings from the respondents, thus putting the brand in such a position that would allow it to become a loved brand leading to what Keller defines as *attitudinal attachment*[48].

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[48] *Keller, H., L., (2001). "Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands". Marketing Science Institute, Working Paper, Report No. 10.107*

Conclusions

The main objective of this research was to investigate the existence and the subsequent nature of the relationship between a green product, the brand producing it, and consumer purchasing decisions.

In particular, the research was devoted to understanding *whether* and *how*, consumer perceptions of the level of sustainability of a brand are linked with the ecofriendly product such brand provides and, as it turns out, this relationship exists.

By examining two extremely different brands, operating in the same market and providing similar products, it was proven that there is a link between the green product provided by the firm and *whether* the firm is considered ecofriendly or not.

The respondents viewing either the bag from Prada or that from Las Tejedoras, were given the same information typology regarding the products' materials and production processes.

What can be deducted from this analysis is that, if a product does not meet the general idea of *what* or *how* a green product should be like, this reluctancy to see the product as ecofriendly has a negative outcome on the perception of the Greenness level of the firm as a whole, thus showing the existence of a negative direct relationship between the perception of sustainability of the product and that of the firm.

On the contrary, if a product possesses all of the necessary attributes in order for the latter to be considered ecofriendly, the firm itself will benefit from this as it will be seen as ecofriendly. In other words, if a product is seen as ecofriendly, as a consequence, the firm too will be considered Green. This means that there is also a positive direct relationship between product and brand greenness.

A further objective of this research was also to investigate *whether* the above-mentioned relationships had an impact on consumer purchasing decision, and they *do*.

Since the topic studied revolves around Green Products, consumers who are specifically looking to buy a product which has a low environmental impact, will not buy a good that does not -- according to their personal beliefs – fall within the range of sustainable goods.

Moreover, as previous research has shown, the market is changing due to higher demands – coming from the public -- of product sustainability. Therefore, if a product is not perceived as green, the firm producing it will lose (green) consumer *trust*, which will in turn decrease purchases from such firm, therefore potentially losing or not gaining *loyalty*.

On the other hand, a firm manufacturing allegedly considered Green Products, will gain consumer trust, and loyalty, thus motivating those consumers looking for green products to buy from them, and continue doing so.

The analysis comparing the two firms proposed yielded the results for the ultimate objective of this research.

The latter analysis showed how easily it is for consumers to create a deeper and more *"sentimental"* bond with a brand that is considered more ecofriendly and more down to earth.

A big multinational like Prada, regardless of the importance of its name, was not able to elicit the same feelings as a small cooperative from Nicaragua has done.

This proves that there is a tendency in favoring small business whose history, passion and environmental dedication is told by their products themselves and not the name they carry on the price tag.

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SUMMARY

The growing trend towards product and firm sustainability has paved the way to the birth of different routes of production and communication, which are being implemented by firms. The general concepts of Marketing and subsequent strategies, in their modern meaning, can be traced back to the first half of last century, when producers and providers started sensing that the market was changing, as consumers started to become more and more interested in the hedonic experience yielded by the product rather than in the physical product itself. That is when producers and firms started to seek new means in order to outshine their competitors, they started selling new concepts of products, they started selling promises, experiences and values. Considering the ever-growing and everchanging market tendencies, it does not come as a surprise that new views and concepts revolving around marketing have arisen during the decades.

This being said, in the beginning of last century, the market shifted towards a different view of consumption, and the same thing is happening now, with the arising threat of environmental degradation, new concepts of marketing are being explored, going into the direction of sustainability.

Consequently, in the 1980's the concept of Green Marketing was born, in reaction to a growing general concern towards "Corporate Social Responsibility".

As has been mentioned above, this discipline was born towards the second half of last century, nonetheless, it has undergone many transformations during the decades, upon arriving to the formal and final concept of Green Marketing, coined in the late 1990's and early 2000's.

This novel and definitive view "recycles" and reuses the 4P's of Marketing (product, price, place, and promotion), integrating them with a greener approach. These eco-friendlier Ps can be summarized as follows:

-*Product:* Designers will have to choose materials and sources more carefully. Thus, developing more ecofriendly packaging in terms of biodegradability and disposability. Those firms that are

able to demonstrate their concerns about their usage of energy, and physical supplies will also gain competitive advantage.

-*Price:* Environmentally concerned consumers show a higher WTP and lower price sensitivity, companies should keep this in mind when designing and pricing eco-friendly products and services. Moreover, such companies can have a wide range of products and pricing according to their levels of sustainability.

-*Place:* Companies will have to reconsider their allocation and distribution facilities. Environmentally friendly Companies should prefer e-commerce instead of physical facilities in order to reduce pollution by reducing the amount of people travelling to get to the physical retail store.

-*Promotion:* Last but not least, Companies should consider changing their Advertising strategies from physical, offline (i.e. billboards, flyers and newspapers) to online. Thus, reducing the usage of paper, ink and other resources. They will also need to go beyond advertising to promote and inform consumer about their environmental concerns.

In the Green Promotion Process, Eco-Labels play a fundamental role, as Companies will need to be more specific about the ingredients and production processes involved.

Keeping in mind this new approach to the 4P's of the Marketing Mix, firms and companies can evaluate their level of greenness based on the Green Marketing Strategy Model created in 2004 by Ginsberg and Bloom. This model comprehends four different instances and firm levels of "greenness", evaluated according to the four factors explained in the above described Green Marketing Mix:

- *Lean Green:* This term is linked to lower levels of greenness. Those corporations referred to as Lean Greens focus on being good citizens while refraining from excessively advertising their green actions. Their main interest in being green is on the improvement of efficiency through pro-environmental activities, while maintaining costs low. They comply with the regulations and aim at achieving long-term preemptive solution while creating a low-cost competitive advantage (i.e. *The Coca-Cola Corporation,* is implementing green activities on a small cluster of products);

- *Defensive Green:* These corporations usually apply green marketing strategies as precautionary measures, as a response to crisis, or as a response to the actions of a competitor. By implementing these measures, they seek to mitigate damage and increment brand image. They are well aware of the profitability of the Green Market, and they know that they should not ignore such market segment. They cannot use "greenness" as a way to differentiate themselves from their competitors, as their green activities are sporadic and temporary. Yet, unless they realize that they can get a true and lasting advantage by going green, they will not embark in such activities in a substantial and continuous manner.

- *Shaded Greens:* These companies are characterized by profound investments on green projects that involve system-wide, long-term and environmentally friendly processes. These companies use the opportunities yielded by being green for developing innovative products and technologies, which will give them a strong competitive advantage. Yet, for these companies, being green is not the focal point, just added value, as they focus on other assets when promoting their products (i.e. *Toyota* did not mention the positive environmental implications of their new model when they launched the *Toyota Prius*). Therefore, these companies make profit focusing on different attributes, their involvement with the preservation of the environment is a secondary factor. In conclusion, these companies intend to provide benefit to their customers through tangible and direct attributes, and they usually choose mainstream distribution channels;

- *Extreme Green:* This is the highest level of greenness that a company can achieve. With Greenness being their core value and strongest asset. The greenness process is completely embraced and implemented throughout the totality of the company's activities. Companies on this level usually operate in niche markets, and their products are usually sold in stores owned by the company itself, or through special channels of product distribution and commercialization.
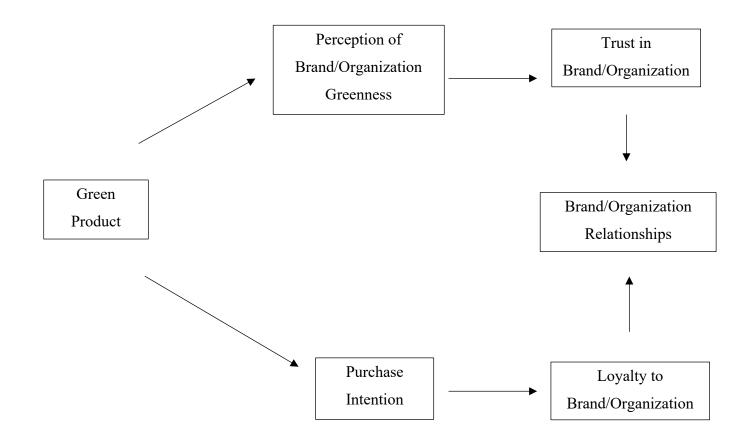
This new concept of marketing relies on the idea that modern consumers are gradually acknowledging that there is a pending need to take care of the environment, thus the importance of green consumerism has been growing over the years.

In other words, considering the growing importance and number of green consumers, if the latter can see a tangible involvement of firms in the preservation of the environment, such firms will form stronger bonds with consumers, leading to extensive growth on the part of the company in terms of brand equity.

Considering all that has been said up to this point, this study aims to investigate whether there is a relationship between a green good and the consumer perception of sustainability of the firm delivering said good.

In addition, this research wants to study whether the above-mentioned relationship has an impact on consumer behavior expressed in terms of purchasing decisions.

Then, if this relationship exists, its effect is further explored by comparing two brands operating in the same market, showing how the differences in the perception of greenness linked to their product, affect the firms as a whole.

Below, the conceptual model and the corresponding hypotheses are presented:

More specifically, the first hypothesis assumes that, *H1: A Green Product has a positive effect on the perception of Greenness of the Brand or Organization itself.*

The second hypothesis relies on the idea that , those brands and organizations that are perceived as Green, those which are able to meet the desires and needs of their consumers in a "green way", yield more trust in the minds of customers, thus eliciting positive responses.

So, sssuming that the first hypothesis (H1) is correct, this argument relies on the idea that Green Brands or Organizations, will elicit more positive feeling of trustworthiness in the minds of consumers *(H2: A Brand or Organization that is perceived as green will have a positive effect on trust).*

One further assumption is query is based on the assumption stating that if Green Brands and Organizations are able to completely satisfy the green exigences of their green customers, they will be able to increase brand loyalty *(H3: Consumers are willing to buy a Green Product; H3a: If consumers are satisfied by the green product and its attributes, they will engage in repeated purchases from the Brand or Organization providing such product).*

Following the concept of brand equity developed by Professor Keller, one further hypothesis relies on that assumption that those brands that are perceived as green, thus eliciting trust and forming loyalty, will be more facilitated in creating positive brand relationships *(H4: Green Brands and Organizations providing Green Products can form positive Brand Relationships with customers).*

The third and final part of this research is devoted to a comparison between two firms competing in the same market (fashion) and providing similar products (bags made out of recycled plastic). Such firms are Las Tejedoras and Prada.

The former is a cooperative of women based in Nicaragua, whose mission is to preserve the marine wildlife and to promote marine conservation by reducing the amount of plastic waste floating in the sea and lying in the forests surrounding their village.

They provide handknitted accessories, manufactured using plastics gathered form the surrounding environment.

Their production process is extremely green, as it does not involve the usage of any sort of technological nor electrical equipment. More specifically, before knitting their final products, they

soften and sanitize the plastic. They sanitize the materials utilizing anti-bacterial products for obvious health reasons, together with direct sunlight exposure and salted water.

Once the plastic has been sanitized and softened, it is ready to be knitted into bags of different shapes and forms, keychains, bracelets and hats.

On the other hand, the latter, is a well-known brand operating in the fashion industry, which has launched a collection called Re-Nylon. Such collection is manufactured by Prada in partnership with Aquafil, which produces a nylon thread, called Econyl, realized using plastic waste gathered from the oceans as well as threads extracted from old tapestries.

Hence, both firms and their respective products will be analyzed and compared according to the above-mentioned hypothesis. In conclusion, the last set of hypotheses wants to test whether these two firms score differently and if one is perceived better compared to the other, in terms of green product, green perception of the firm, purchase intention of firms' products, brand trust and brand loyalty (*H5: The Small Organization providing Green Products score higher in terms of Greenness perception compared to its multinational counterpart; H5a: The Small Green Organization will score higher in terms of trust compared to its multinational counterpart; H5b: The Small Green Organization will score higher in terms of purchase intention compared to its multinational counterpart; H5c: The Small Green Organization will score higher in terms of repeated purchase compared to its multinational counterpart; H5d: The Small Green Organization will be more likely to form positive relationships with consumers).*

Moving on, the research was conducted through an online survey distributed using different tools, such as social media platforms and word of mouth. 191 subjects were reached. The sample could be characterized as follows: 75 men (37.97%) and 116 women (62.03%) with 183 Europeans (95.8%) of which 168 Italians (91.8%) and 15 non-Italian (8.2%), and 8 (4.25) non-Europeans. The age of the respondents spanned to 15 to 67 years of age, with 111 participants (58.11%), aged between 15 and 25 years old.

The survey was made up of four blocks: Block 1, which was undertaken by the totality of the participants (all 191 of them), was designed in order to gain insights on different aspects, with the aim of gathering data regarding the respondents' general thoughts, perceptions and feelings regarding the concept of sustainability and pending environmental issues.

Block 2 and 3 were randomized, as a consequence of this randomization, block 2 was submitted to 93 of the respondents (48.69%), while block 3 was completed by the remaining 94 respondents (49,21%).

Block 2 presented the picture of a bag from Prada's Re-Nylon collection, with a subsequent description of the product portrayed ("*Prada launches a pioneering new project, Re-Nylon, introducing a sustainable line of iconic Prada bag silhouettes executed in a unique new regenerated nylon, ECONYL®. ECONYL® yarn, through a process of depolymerization and re-polymerization, can be recycled entirely, with no loss of quality*").

While Block 3 portrayed the picture of a bag produced by Las Tejedoras, with the following description of the product: "*In El Astillero, Nicaragua, there is a community of women called Las Tejedoras (The Weavers), who use plastics gathered form the ocean and the surrounding rainforests in order to create accessories.*

Their aim is that of diminishing the amount of plastic scattered in the environment, recycling such plastic in a creative way.

Before being knitted, the plastic is sanitized and softened.

The bag in the picture has been hand-knitted by Maria, and it has been realized by using 135 plastic bags."

Both blocks presented the same questions, investigating what attributes guided their decision in purchasing the item viewed, their willingness to purchase the product, their willingness to pay a premium price for such product, whether they would engage in repeated purchases from the same brand, and finally, whether they perceived the brand as a whole as eco-friendly (based on the information given about the products shown).

The fourth and final block concerned the respondents' generalities.

Moreover, the answers have been recorded trough a 5-point scale, with 1 being the minimum score, describing extreme negative levels, 3, which was the mid-value was considered to be the Neutral value, therefore describing indifference to the matter proposed, while 5 was the highest level of positivity and agreement. The scores were calculated taking into considerations the tails as together, in other words, with 3 being the neutral value, the answer mean was compared to the mid-value, meaning that any Mean>3 have been considered as acceptable.

The research has shown an outstanding difference between the two brands, with the hypotheses spanning form *H1* to *H4* were all *rejected* for Prada and *not rejected* for Las Tejedoras.

Thus, what has been deducted from this analysis was that, if a product did not meet the general idea of *what* or *how* a green product should be like, this reluctancy to perceive the product as ecofriendly had a negative outcome on the perception of the Greenness level of the firm as a whole, thus showing the existence of a negative direct relationship between the perception of sustainability of the product and that of the firm.

On the contrary, if a product possessed all of the necessary attributes in order for the latter to be considered ecofriendly, the firm itself would benefit from this as it would be seen as ecofriendly. In other words, if a product was seen as ecofriendly, as a consequence, the firm too would be considered Green. This meant that there was also a positive direct relationship between product and brand greenness. Therefore, if a product was not perceived as green, the firm producing it would lose (green) consumer *trust*, which would in turn decrease purchases from such firm, therefore potentially losing or not gaining *loyalty*.

On the other hand, a firm manufacturing allegedly considered Green Products, would gain consumer trust, and loyalty, thus motivating those consumers looking for green products to buy from them, and continue doing so.

Moreover, the analysis that compared the two firms proposed yielded the results for the ultimate objective of this research.

The latter analysis showed how easily it was for consumers to create a deeper and more *"sentimental"* bond with a brand that was considered more ecofriendly and more down to earth. A big multinational like Prada, regardless of the importance of its name, was not able to elicit the same feelings as a small cooperative from Nicaragua has done.

This proves that there was a tendency in favoring small business whose history, passion and environmental dedication was told by their products themselves and not the name they carried on the price tag.