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EFFECTIVE BRAND MANAGEMENT IN SUSTAINABLE BUSINESS ENVIRONMENT

Abstract. This study reviewed the analyze of effect of green approach and brand awareness to customer loyalty in using green products or going green. The research was conduct in order to understand 1. How to develop a brand management in green environment ? 2. Importance of green marketing management? In this research green approach and brand awareness are independent variables, and customer loyalty is the dependent variable, also there is mediation between customer loyalty and green approach, and mediator variable is brand awareness. To analyze my diploma work I use Quantitative research, and I surveyed 70 people. Likewise, my analyze includes reliability, multicollinearity, regression and mediation analysis. To gather the needed data we used a questionnaire which has 4 sections; the first section included general questions and demographic questions, the second section question related to green approach, the third part includes questions related to brand awareness, and finally, the fourth part includes questions related to customer loyalty. Questionnaires reliability was estimated by calculating Cronbach's Alpha, and all of them showed acceptable results. In order test the hypothesis of the research I used regression. The results show that green approach and brand awareness has an impact on customers' loyalty. It means, through this two independent variables companies can reach a strong customer loyalty if they started to think about sustainable development.

Key words: sustainable brand management, eco-friendly products, green brand positioning, sustainable business, green development, customer loyalty, brand awareness, green approach, ecolabelling, customer satisfaction.

Аңдатпа. Бұл зерттеу жұмысында экологиялық көзқарас және бренд хабардарлық экологиялық таза немесе жасыл өнімдерін пайдалануға сатып алушылардың адалдық әсерін талқылайды. Зерттеу Қалай Экологиялық ортада бренд басқаруды дамытуды түсіну ? Экологиялық маркетинг менеджменттің маңыздылығы ? деген сұрақтарға жауап табу мақсатында жүргізілді. Экологиялық тұрғы және бренд тану тәуелсіз айнымалылар болып табылады, және клиенттердің адалдығы - тәуелді айнымалы болып табылады. Сонымен қатар, клиенттердің адалдығы және жасыл көзқарастың арасындағы медиатор айнымалы -

бренд хабардарлық болып саналады. Осы жұмысты талдау үшін сандық әдіс зерттеуі пайдаланылып, 70 адамнан сұхбат алынды. Қажетті деректерді жинау үшін қолданылған 4 бөлімнен тұратын сауалнама құрылымы келесідей: бірінші бөлім, жалпы сұрақтар және демографиялық мәселелер мен жасыл көзқарасқа байланысты сұрақтардан тұрса, екінші бөлімін, бренд хабардарлыққа байланысты сұрақтар қамтиды, төртінші бөлігіне клиенттедің адалдығына байланысты сұрақтар кіреді. Зерттеу барысында өзі сенімділігін, регрессиялық талдау және медиацияны талдау жұмыстары жүргізілді. Жұмысты зерттеу кезінде сауалнама сенімділігі Кронбах Альфаны есептеу арқылы бағаланды, және олардың барлығының нәтижесі қолайлы нәтиже көрсетті. Зерттеу гипотезаны тексеру үшін регрессия есептеу тәсілі пайдаланылды, және нәтижелері клиенттердің адалдығына экологиялық көзқарас және бренд хабардарлық әсерін тигізетінін көрсетті. Зерттеу нәтижесі экологиялық жолмен даму жайлы ойланып жүрген компаниялардың, осы екі тәуелсіз айнымалы арқасында клиенттердің адалдығына қол жеткізуге болатындығын көрсетті.

Түйінді сөздер: тұрақты брендті басқару, экологиялық таза өнімдер, жасыл брендті ұстану, тұрақты бизнес, жасыл даму, тұтынушылардың адалдығы, брендті хабардар ету, тұрақты көзқарас, эколабелинг, тұтынушылардың қанағаттануы.

Аннотация. В данной статье представлен анализ влияния зеленого подхода и узнаваемости бренда на лояльность клиентов к зеленому или использованию зеленых продуктов. Исследование проводилось для того, чтобы понять: 1. Как развивать бренд-менеджмент в зеленой среде? 2. Важность управления зеленым маркетингом? В этом исследовании зеленый подход и узнаваемость бренда являются независимыми переменными, а лояльность клиентов – зависимой переменной, также существует посредничество между лояльностью клиентов и зеленым подходом, а переменная посредника – узнаваемость бренда. Автор использовал количественные исследования и провел опрос 70 человек. Сам анализ включает в себя надежность, мультиколлинеарность, регрессию и анализ медиации. Для сбора необходимых данных был использован опросник, который состоит из 4 разделов: первый раздел включал общие вопросы и демографические вопросы, второй вопрос секции, связанный с зеленым подходом, третья часть включает вопросы, связанные с узнаваемостью бренда, и, наконец, четвертая часть включает вопросы, связанные с лояльностью клиентов. Надежность вопросников оценивалась путем вычисления Альфы Кронбаха, и все они показали приемлемые результаты. Чтобы проверить гипотезу исследования, была использована регрессия. Результаты показывают, что зеленый подход и узнаваемость бренда влияют на лояльность клиентов. Это означает, что

благодаря этим двум независимым переменным, компании могут достичь более сильной лояльности клиентов, если они начнут думать об устойчивом развитии.

Ключевые слова: устойчивое управление брендами, экологически чистые продукты, позиционирование зеленого бренда, устойчивый бизнес, экологическое развитие, лояльность клиентов, узнаваемость бренда, зеленый подход, экомаркировка, удовлетворенность клиентов

We live in a world in which the modern market, new products and services are increasingly appearing, more and more diverse markets are developing, the life cycle of many products is getting shorter, and the activity of competitors is growing significantly. Globalization, international integration and rapidly improving communication technologies strengthen the importance of the above factors for numerous groups of consumers, both on local and international markets. The variety of goods and services offered by companies and offered in various ways and creates significant difficulties in connecting these «technologies of satisfaction the needs» with consumers [1].

Organizations are facing a global problem that is not so much about winning and retaining clients, and also creating an absolutely new level of relations - long-term partnership on a mutually beneficial basis. This applies to specific national, local companies, and to global participants in the modern international market. This includes, among other things, the preservation or conquest of a certain market share, and the acquisition of maximum profit in the market with the least costs achieved with the help of traditional marketing tools. However, the meaning of the modern concept of marketing lies in the creation of dynamic technologies that allow the organization to become necessary to the consumer, that is, to become adequate, in demand for the modern market in general and for individual markets in particular. This has recently been said by most leading marketing executives at all levels of international and local markets [2].

Environmental and social problems have increased over the years and led to the popular term, known today as «sustainability». It's no secret that sustainability is one of the biggest trends that spread across all industries. Consumers are more aware of their environment and its problems, which has led to an increase in demand for organic products [3]. Offensive practices encourage consumers to question business ethics over the products they buy, and cause fears that require nothing but sustainable practice. Companies will have to evolve if they want to survive in this new and greener industry [4].

Environmental sustainability is getting increasingly significant because we witness an excessive weather changes, global warming and environmental deterioration. As the Earth population grew, the need for resources likewise

enhanced. In order to satisfy the enhancing demand for these resources, more industrial operations also strengthen around the world.

These enhance industrial operations over the years did not think the resulting environmental degradation like pollution of water, air and land. The degradation was not taken into consideration along with the intended industrial growth, therefore, the value cases of a lot of economic operation ignored these “expenses”. Typically, the companies that produced negative impact on the environment were not held responsible for them. They externalized these expenses and the society suffered. A lot of ecosystems have been adversely affected to the point where they can no longer resist or recover from natural disasters resulting from activities of people and these disasters include flooding and global warming, bad weather conditions [5].

Ecological issues are hot topics for discussion in sectors such as industrial and academic sectors for more than 3 decade [6]. According to Erdman that people are more concerned for the improvement of world and they demand ecological, bio-organic products from marketers. Thus now different brands are in competition to be more greenly or environmentally friendly [7]. In recent years customers awareness about eco concern enhances. Nowadays companies and industrial sector are working on enhance their performance regarding ecological improvements to engage more green customers [8]. As people awareness about environmentally friendly concern increases in Google searching website the word “going green” achieves more than 15.6 million times in 2008 [9]. Marketers and professionals analysis” eco consumer requirements and build up their marketing offering in a way that satisfy customers needs in better way also helpful for the society as well [10].

The purpose of this study is to describe how companies implement business in sustainable environment, also disclose the importance of brand awareness and customer loyalty in order to successful brand management in green environment. The problem statement of my research is that nowadays with every minute there are producing a new companies, a new products and a new services. Many companies can not distinguish themselves from the crowd of others and build a profitable business while not restraining the environment [11].

The main research objective of this work is to examine how to managing a brand in sustainable business environment. Moreover, the thesis purpose to investigate in detail the green approaches, green brand positioning. Green (or eco-friendly) positioning is getting a very popular technique for organizations to out from the throng, and distinguish from the rivalry [12].

Coming from this, the aim of the research is to answer these questions:

1. How to develop a brand management in green environment ?
2. Importance of green marketing management ?

Sustainability in the Context of Brand Management

Before presenting the frame of reference a more critical look on the idea of sustainability in the context of marketing in overall is taken. The thought behind this is to examine the connection between these two imperative fields and to bring up the general suitability of a combination of sustainability aspects in the field of marketing.

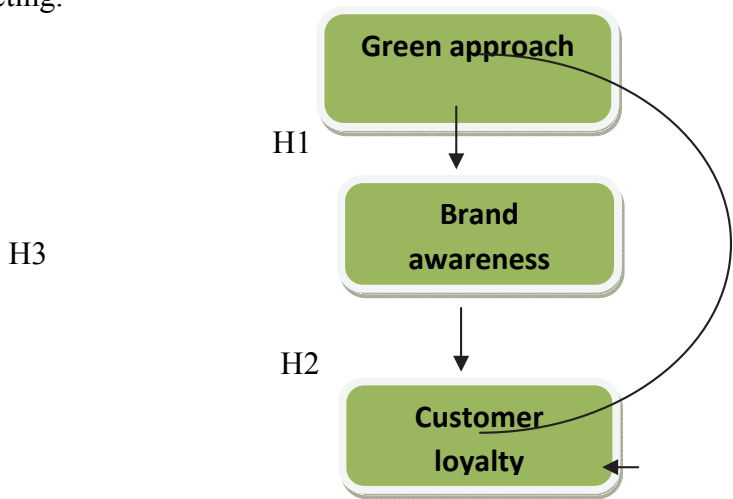


Fig.1. Conceptual framework

«It is a typical presumption that sustainability and marketing are set for a head on crash since marketing is about selling increasingly while sustainability is about devouring less» [13].

Charter defines sustainable marketing as:

«The creation, production and implementation of sustainable solutions with higher net sustainability, with constant satisfaction of customers and other stakeholders» [14].

The thought of sustainability adds another measurement to the marketing concept of fulfilling customer needs. Moreover, interpersonal and intrapersonal needs, sustainable marketing likewise needs to deal with the adjusting of intergenerational needs [15]. sustainable marketing has the extra challenge to meet: «the needs of the present without trading off the ability of future generations to meet their own particular needs» [16].

Sheth and Parvatiyar comprehend sustainable development as creating and distributing products in a more effective manner, thinking about products' lifelong ecological effect, arranging for products' reusing and motivating providers to follow these rules. This requires another mentality, new tools and alterations through the entire organization's association. Therefore, a marketing approach that advances such a supportable improvement as it is above described, and the assurance of the environment is named as sustainable marketing [17].

As considering what sustainability can offer marketing, a standout amongst the most evident connections between marketing and sustainability is the way in which organizations utilize the idea of sustainability to separate themselves from their competitors and to improve their corporate brand image and reputation. Moreover, the Chartered Institute of Marketing contends that accepting the idea of sustainability can lead by workers to more noteworthy sense of loyalty and pride in the firm, which thus can be an important deals resource when employees communicate with clients [18]. When seeing what marketing can offer sustainability, it ought to be viewed as that marketing deals with understanding and changing customer conduct and can bigly affect individuals' attitudes and convictions. In this manner, marketing can be believed to perceive the key part of costumers as leaders in moving towards sustainability, as e.g. in reducing carbon dioxide emissions, reusing expanding volumes of waste or supporting Fair Trade activities and receiving more beneficial ways of life.

To sum up, in spite of the fact that marketing and sustainability appear to be as 'chalk and cheddar' there is evidence that these two ideas offer each other a few focal points. Initial, an expanding number of organizations shows enthusiasm for being focused on a far reaching meaning of sustainable development in regards to the promoting blend of maintainable products and enterprises. This shows a hefty portion of the sustainability responsibilities requested by organizations can be viewed as being driven by business imperatives. A large portion of the ecological activities are as of now created by various retailers keeping in mind the end goal to reduce vitality and water utilization and in addition squander discharges, which thusly diminish costs. Second, it is accepted that marketing offers imperative methods for evolving consumer conduct and affecting states of mind and convictions. These contentions and the perceived developing enthusiasm of research in the relationship of sustainability and marketing, demonstrate that it is clearly imperative to examine these two ideas and their relationship to each other further and it can be expressed that there is a general suitability of an integration of the sustainability aspect in the field of marketing [19].

The three methodological approaches to carrying out research are qualitative and quantitative methods, mixed method. In qualitative research, one could explore attitudes, awareness, and loyalty with the use of such methods as interviews or group discussion [2]. The yield of a qualitative method of the research includes in-depth opinions from the participants who usually number far fewer than in quantitative researchers, but the contact with the former tends to last much longer [21]. Unlike, in quantitative research, one can quantify attitudes and awareness or measure variables [22]. By contrast qualitative research, quantitative research uses measurable data that rely, evidence and patterns. A mixed method was not suitable for my research since there was deficient time to examine the qualitative rationale for the

respondents' replies. The quantitative method of the research was best suited for my thesis because I intended to receive data via surveys assessing customer perceptions through numeric data. Likewise, I planned to use statistical means to quantify, determine, and analyze the data and signify the findings numerically. The quantitative methodology also allowed me to test multiple variables of green approach and brand awareness reported by the sample to determine which variables have a significant effect on customer loyalty to understand how to manage and develop green brand or company.

Questionnaire was conducted according to Muhammad Zubair Tariq's questionnaire of Influence of Eco Brand Awareness and Eco Advertisement on Satisfaction with Mediating Effect of Buying Behavior [24] and according to Lee [23] a theoretical framework that considered many factors such as demographics, values, attitudes, and behavior that influence customers' willingness to pay more for bio-organic products. The first part of the questionnaire assembled demographic data (i.e., age range and gender), the second part examined customer attitudes toward product or service which have a green approach, and the last part measured brand awareness of the respondents toward environmental friendliness. And the fourth part of the survey measured customer loyalty toward goods and services which are environmentally friendly. In survey a 5-Point Likert Scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree) used for three variables including green approach, brand awareness, customer loyalty in order to study how to manage brand in green or eco-environment, also advantages and disadvantages of green marketing management.

In order to test hypotheses and examine the factors the survey was conducted on consumers of market "Esentai gourmet", that is located in Esentai Mall in Almaty. I decided to conduct a survey there because there are so many types of ecological and bio-organic products. I surveyed 70 people. This number of respondents enabled me to reach theoretical saturation in my research's target group. My thesis's target group was to encompass a range of eco-consumers from different genders, age ranges, and socio-economic groups. After collected back all questionnaires, all the data were analyzed through Statistical package for social science (SPSS) for Windows, version 24. All questions were individually analyzed, take consideration of all the variables factors and supported with descriptive analysis. Descriptive statistics was used for analysis of demographic characteristics such as gender, marital status and age range. To test the unique contribution of independent variables to the dependent variable the study performed a multiple regression analysis. The significance level was set throughout at 0.05.

This study was designed to examine the effective brand management in sustainable business environment. Simple linear regression analysis revealed positive relationships between green approach and brand awareness, and between brand awareness and customer loyalty, likewise, between green

approach and customer loyalty. This study empirically verified the theoretical path in the proposed model.

The findings of this study revealed that consumers are likely to purchase or use environmentally friendly goods. Going green will increase awareness of a brand and customer loyalty. The results displayed that Green approach significantly influenced Brand awareness because when occurs new products or service with green characteristic, people started to be aware of this organization, and they want to know all benefits of the product. Environmental CSR such as ecolabeling on products have displayed to have a positive impact on brand awareness. Developing brand awareness refers to clients' recall and recognition of the brand. Likewise, the findings showed that Brand awareness significantly affect Customer loyalty, according to Aaker brand awareness can affect satisfaction and loyalty. Yoo's research demonstrated that brand awareness and positive associations affect customer loyalty. It is clear, that when consumer aware about products origin, how it makes, what effect can the bio-organic product have on the surrounding nature, all this staff can build consumer trust, which can lead to customer loyalty. One more variable, green approach significantly impacted customer loyalty in using eco-products. This further supports the increase in customer loyalty in using bio-organic products because consumers can accept the higher prices of eco- products, even though the prices of other products (not eco-products) are lower [27]. Consumers strongly believe that they do the right thing in buying the ecological, bio-organic goods and can support to environmental protection and environmentally friendly development [25].

Brand awareness in this thesis is mediating variable, and according to the results of SPSS 24, there is mediation of brand awareness between Green approach and Customer, and Hoyer and Brown showed that brand awareness increases perceived quality and dramatically influenced the brand evaluation. This means that organizations that does constant advertising will indirectly stand a chance of customers keep the memory of a brand. Besides, it has to be strongly profitable which explains other sets of consumers will continue purchasing the brand for other reasons such as the satisfaction of quality and performance which are lead to customer loyalty [26].

The main purpose of my thesis is to describe how companies or organizations effectively implement business in sustainable environment, also disclose the importance of brand awareness and customer loyalty in order to successful brand management in green environment. And finding out of advantages and disadvantages of green marketing management.

In order to analyze the following question:

1. How to develop a brand management in green environment ?
2. Importance of green marketing management ? this thesis focused on three factors green approach, brand awareness and customer loyalty. Ecoliteracy concerns with providing the information about the green product

and its influence in the society [27]. According to Laroche people know how about ecology give a clear direction to the marketers to promote products, people who are more concerned about environment having statements such as «We have a responsibility to avoid purchasing or using products that are known to be damaging to the environment» [28].

The results of the study displays that there is strong and positive relationship exist between green approach and brand awareness, between brand awareness and customer loyalty, likewise, between green approach and customer loyalty. It means that consumers who have more knowledge about green products and showing environmental concern started to accept high price and willing to pay more for eco-products, and became loyal consumers. The results and conclusion of this thesis will be helpful for creating awareness in people about green concern, green product, green lifestyle, and convincing them to buy those products that are useful for themselves and for society as well. And all of this can help build a strong green company or helps to companies going green and managing brand in green environment [29].

Recommendation

The findings and conclusion of this research will be useful for creating awareness in people about green approach and convincing them to buy those products that are beneficial for themselves and for society as well. Marketers and managers should use true and fair ecological claims in their advertisements in order to increase sale and profits. Likewise, companies have to create awareness regarding environmental protection and sustainability among existing and potential consumers and must produce ecological products at lower price and high quality to fulfill green needs of customers. Marketers should design strong brand development and brand awareness strategies in order to create and develop the image of “being or going green” in target.

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