ECOLOGIZATION OF MARKET BEHAVIOR OF CONSUMERS AND MANAGEMENT BUSINESS STRATEGIES

Purpose. To build a theoretical model for ecologization of market behavior of consumers in modern economic conditions and to determine the main types of strategic reaction of enterprises to the ecological factor of business environment.

Methodology. Methods of scientific generalization were applied to formulate the conclusions of research, analysis and synthesis — to determine, in particular, the structure of ecological needs and interests. Statistical and graphical analysis showed dynamics of the market of ecological goods and consumers preferences. The comparison method was used for characterizing the strategic approaches to understanding the processes of market ecologization, the ecological marketing peculiarities.

Findings. Components of the process of ecologization of consumers’ behavior (needs for security; needs for ecological safety; ecological interests; ecologization of the market demand) are consistently identified and substantiated. Structure of needs for ecological safety and their influence are defined (providing the reproduction of natural resources; safe natural environment; safe goods). The first two groups of needs form interests in ecological conditions of management, the third one — in ecological properties of goods. Factors of ecological interests were divided into two groups — endogenous and exogenous. Two possible strategic management approaches (adaptive and expansionary) to reacting to ecologization of demand were substantiated. Peculiarities of positioning, segmentation, communication and pricing policy of enterprises focused on the business use of trend of ecologization of market behavior of consumers are considered.

Originality. A theoretical model for ecologization of market behavior of consumers in modern conditions was created on the basis of using the system approach. There was given further development to definition of such concepts as: needs for ecological safety; ecological interests of market agents-consumers; ecologization of demand; ecological goods. Definitions of factors influencing the consumers’ interests in ecological properties of goods were improved due to their dividing into endogenous and exogenous groups with further structuring. Two possible practical strategic management approaches (adaptive and expansionary) to reacting to ecologization of demand were substantiated. Peculiarities of components of ecological marketing were determined.

Practical value. Results of the research can be used by managers for raising the level of analytical work as to taking into account the ecological component of business environment, consumers behavior and improvement of marketing strategies of enterprises.

Keywords: consumers, ecological marketing, management, strategy, enterprise, external environment

Introduction. Development and continuous improvement of business strategy is one of the key components of management activity. The aggregated objects of analytical work of managers are the external and internal environment of the enterprise. Qualitative analysis of the external environment, its conditions, trends and dynamics, acquires a paramount importance for determining the effective strategic course of the enterprise. The focus of analytical and managerial attention is the behavior, requirements and preferences of consumers.

Consumers are not some static subjects of the business environment. Their behavior is changing, and certain tendencies are formed. One of such tendencies is an increase in consumers' sensitivity to the ecological properties of goods, to the conditions of production, marketing and other activities at enterprises in terms of its impact on the natural environment. In that manner certain changes are formed in the environment of enterprises’ activity, which requires the appropriate reflection in the management of enterprises — first of all, in marketing strategic and tactical decisions. At the same time, in the conditions of functioning of the mixed economy, the ecological and resource component of the market environment is a sphere of interest and relevant influence from the side of the state. The topical problem is achieving the effectiveness of such regulation, and timely reaction to the corresponding changes.

Literature review. Issues of transformation of the business environment and the improvement of strategic management decisions at enterprises take a significant place in the modern scientific research studies. Thus, a lot of attention is paid by Ukrainian and foreign authors to the issues of marketing strategies of enterprises. Simultaneously, researchers pay some attention to ecological factors of the market environment and business activities. For instance, the problems of market segmentation in the field of nature management are analyzed [1]. Researchers pay attention both to impact of the global natural environmental factors on doing business [2], and to more specific components related to ecological balance [3]. There are scientific papers as to explanation of the place of ecological factors in the system of market pricing [4], justification of emergence of the modern ecological trends that affect the small and medium-sized businesses [5]. Some attempts are being made to study the influence of certain ecological factors on the formation of consumer behavior [6] and consumer expectations [7], as well as to explain particular motives for the consumption of environmentally friendly goods [8].

Unsolved aspects of the problem. In general, the issues of evolution of consumers’ ecological requirements, the environmental component of business strategies of enterprises, its features and prerequisites for actualization, are considered in the scientific papers in quite a way, and consequently, they need further deepening.

Purpose. The purpose of the article is to build a theoretical model for ecologization of the market behavior of consumers in the modern conditions of economic life, and to determine the main types of strategic reacting of enterprises to the ecological factor of the environment of their business activity.

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Methods. The theoretical model for ecologization of the market behavior of consumers is constructed on the basis of system analysis. The methods of scientific generalization were applied to formulate the conclusions of research. The methods of analysis and synthesis were used to determine, in particular, the structure of ecological needs and interests. The statistical and graphical analysis showed the trends and dynamics of the market of ecological goods and consumers’ preferences. The comparison method was used for characterizing the strategic approaches to understanding the processes of the market ecologization, as well as the ecological marketing peculiarities.

Results. The market environment of the enterprise’s activity is structured on certain groups of entities and factors. The consumer should be considered as the main subject of the market-competitive environment for almost any enterprise. The deep managerial vision of the consumer is an adequate identification of his/her needs, because the needs themselves are the driving force of the market behavior, and determine the perception of the relevant product proposals from supplying companies.

Ecologization of the consumers’ behavior can be thought as one of the modern demonstrations of those changes and trends that are evolutionarily occurring in their minds, the identification of their own needs. The level of awareness of certain ecological needs “turns on” the drivers of behavioral activity, which is aimed at searching the ways to meet them, including through market choices and purchase of appropriate goods.

Well-known researcher of needs A. Maslow proposed a certain hierarchical set of human needs (“the pyramid”); and he identified the security needs as the second level in it (after the basic). In our opinion, it is the group of needs for safety, security of life and health that should be associated primarily with the formation of the process of ecologization of the consumers’ behavior (Fig. 1). The presence of such a group of needs creates the preconditions for the emergence of consumers’ interest in the ecologization of their market choices, consumption and lifestyle. The need for ecological security can be defined as the internal motivations of an individual to have such a natural environment, such a system of creation and delivery of the necessary goods of life, ensuring the safe current and future existence. On that basis, in our opinion, the needs for ecological security should be divided into three subgroups: 1) the need for ensuring the resource reproduction; 2) the need for safe environment; 3) the need for safe goods and services.

The presence of needs for ecological safety creates the interest in manners and ways to satisfy them. Probably, such intriguing motives are generated by human’s value orientations. Among the ten types of values mentioned in Schwartz’s well-known method for testing the value orientations, the important place is taken by the safety (defense, stability and harmony of society), the conformity (restriction of actions that harm others and break the harmony, the desire for self-preservation and survival) and universalism (understanding, tolerance and supporting the balance in nature). Based on the data of international ESS studies, it was proved that representatives of cultures with the high performance of these blocks are more likely to tend to realize their economic interests taking into account the security needs than those who do not have these value orientations as dominant [10]. Consequently, the economic interests are also dependent on the ecological component which plays an important role in ensuring the survival.

Market is one of the main areas where identification of the ecological interests of human occurs. This takes place in dual form as follows:

- first, due to the interest in the ecological characteristics of those goods which human can get in current market system for further consumption and satisfaction of his/her needs;

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**Fig. 1. Model for ecologization of the market behavior of demand subjects [9]**
goods and services used by consumers to satisfy the complex of from the consumers’ side than the first one, but without taking represented in full. it into account, the meaning “ecological interest” will not be determined conditions

the latter component takes, probably, much less attention from the consumers’ side than the first one, but without taking it into account, the meaning “ecological interest” will not be represented in full. The dominant direction is the interest in ecological safety of goods and services used by consumers to satisfy the complex of their needs. The specificity of its formation and identification is determined by two groups of factors, which we call endogenous and exogenous. The first ones are factors of internal origin; they include the ecological knowledge, the culture of consumption, the ecological morality, ecological awareness, etc. The second ones are factors of external origin: marketing and ecological impact from the side of “market-interested entities” — the subjects of goods offer; the influence of the state on producers and consumers, which has an ecological orientation.

The intensity, scope, and strength of “turning on” of the ecological interest will certainly vary among different consumers. Interest in the ecological safety of goods is specified in the form of assessment and comparison of ecological characteristics of those goods that can be purchased at the market. The interest is transformed into actions related to market choice and associated with consumer decision-making. The choice between alternative variants of goods is transformed eventually into ecological demand — the consumers’ readiness to buy ecological goods in certain amount at a certain price level.

The current global trend is the growing demand for ecological goods. Some components of dynamics of the market of organic products in Ukraine are presented in Fig. 2.

In the modern information space, first of all in the digital one, the concept of “ecological goods” is widely used. We think appropriate to make a few remarks concerning this concept. First, in our opinion, there is no separate branch-commodity category “ecological goods”. It is advisable to note the existence of goods with different ecological properties, including negative ones (eco-destructive goods), within the accepted general industry structure. Second, as “ecological goods” it is likely to identify such product offers that are safe enough for consumers. Third, a relevant categorization of “ecological goods” is still needed; in our opinion, it could be done at least in two directions — safety of consumption and favorable effects for the environment. It is necessary, in particular, because there are many products, appearing at the market, that do not change actually the level of consumption safety; however, they help to protect the environment.

In our opinion, the management analysis in marketing should be based on the fact that in most cases consumers find it difficult to determine the absolutely best product among competing goods; and therefore, as a rule, when comparing products consumers pay the main attention to several (or even one) determinative properties of the goods. If we do not take into account the price factor of demand, then eventually consumers need a product that, according to their perception, in the best way reflects those properties that are the most important to them (“dominant”) for a certain period of time. Other properties of the goods (“peripheral”) are of little interest for consumers, and therefore even a very significant effort of a company as to improve them may not find adequate response from the consumers’ side. Consequently, in the analytical management work, it is advisable, first of all, to identify a list of those dominant properties of the product that determine its importance for consumers, as well as to figure out whether that list includes ecological components in their specific definition.

The general interest of consumers in the ecological friendliness of goods in practical terms is transformed into their correspondent ecological priorities as for specific products, or more broadly — into the market and industry priorities of ecologization of demand.

It is important not only to take into account the mentioned priorities but to define the level of consumers’ readiness for certain additional financial spending. According to American researchers, in the United States the cost of organic products (“ecological surcharge”) is about 50 % higher than the cost of usual products [12]. Therefore, in the management analysis it is necessary to give the reasoned answers to the questions: how consumers can perceive the “ecological surcharge” in the price of products; and which degree of ecological price sensitivity (elasticity) of consumers may be.

Fig. 3 demonstrates the results of a global survey on consumers in 2021 [13], which revealed the most important characteristics of the group of food products for which individual consumers are ready to pay more, to spend more money on the purchase of such goods.

Approximately 35 % of respondents expressed a willingness to pay more for the “ecological properties” of goods. We note this research also shows that for current time 18 % of consumers around the world do not actually want to pay more for any of the proposed characteristics, including the ecological ones. According to another survey, more than 60 % of Internet users say that they are ready to pay more exactly for eco-friendly products [7]. According to a study conducted by PwC for the Ukrainian market [14], it was found that about 92 % of Ukrainian consumers are willing to pay more for those characteristics of goods that are perceived by them as important, including goods with better (improved) ecological properties.

Analysis of the issue of price elasticity of demand for ecological products, taking into account the world experience of promoting such products at the markets, lets us reveal primarily the impact of such factors as the consumer income and the specific weight of goods value in it. Currently, around 50 % of buyers worldwide consider themselves “eco-friendlier”, although 59 % of consumers still say that they are primarily focused on the price of goods [15]. At markets of the Western countries, consumers with a high level of income become innovators in terms of ecological products, then they are joined by “the second wave”, i.e. consumers with the middle income level.
Regarding the attitude of consumers to the ecological friendliness of business activity, the results of a wide-scale research of consumers’ expectations as to ecological measures that should be taken by companies to maintain the environment (Fig. 4) showed the predominance of requirements for creation of eco-friendly packaging and more affordable eco-friendly products [7].

The ecologization of the market behavior of consumers requires companies to determine their strategy for reacting to such market processes. Business is gradually becoming more aware of the importance of ecological problems of environment of its activity, adjusting its strategic vision of the situation. For instance, according to research [16], about 65% of companies-respondents said they were committed to look for eco-friendly raw materials, and 60% analyzed the possibilities of the eco-friendly supply chain.

In general, in our opinion, two main options (approaches) of management decisions could be distinguished as to significance and use of the ecological component in the marketing strategy of enterprise:
- **adaptive approach.** It involves a consistent, evolutionary reaction of the enterprise to change of importance of ecological properties of goods for consumers. In such cases the company is not an ecological innovator at the market, but it tries to “stay in trend”, to move in its product policy synchronously with changes in market behavior of consumers, as well as with changes in the competitive situation. The company makes insignificant ecological changes in the properties of its products, acting either as the follower (an imitator of what has already been done in the ecological improvement by other companies) or as the initiator of slight changes regarding the ecological improvement of its products. This is a cautious management market strategy, that is not practically associated with innovation activities and with work ahead;
- **expansionary approach.** Its choice is a riskier management decision, because it is oriented on significant improving of the ecological properties of the product supply of enterprise, on creation of the ecological product innovations. The company, as the subject of innovative ecological product offer, makes a trial of significant correction of the market, an attempt of market expansion — to increase the number of consumers and the market share. This is definitely an option for an offensive market strategy. This strategic marketing choice is very responsible for the management team of the company, because it is related to much greater business risks.

In the model for ecologization of the market behavior of consumers, presented in Fig. 1, there are two exogenous components of influence on the “ecological interests” of consumers demonstrated. The first of them is the marketing and communication impact of enterprises. One of the basic prerequisites for the formation of demand for ecological goods is consumers’ awareness with relevant information about existence of such goods and their properties. For the expansionary strategy, the marketing communications become of completely special significance.

Marketing communication activities should be based on the enterprise’s indication and promotion of such an important strategic component as positioning both the company (brand), and the products of its activities. In our opinion, ecological strategies for positioning can be based on the following approaches:

1. Focusing on the ecological properties of products:
   - “local” ecological benefits;
   - ecological leadership related to the product properties.
2. Focusing on the overall ecologically responsible behavior of the company: for example, ecologically responsible attitude to resources.
3. Focusing on a large ecological scale: systemic, socially responsible “ecological business” (by the product properties, by the impact of production and economic processes on the natural environment, etc.).

Positioning is the basis for practical formation of the marketing communication process of the enterprise. In our opinion, the specific features of the marketing ecological communications should include:

- in many cases, the level of the communication efficiency is a decisive factor in creating (expanding) the market demand for ecological goods;
- they are focused primarily on those market segments that are associated with high- and middle-income consumers;
- they are quite often focused on the formation of a peculiar “ecological fashion”, “ecological way of life”;
- women consumers can be considered the more sensitive audience, which is probably connected with their tendency to interactive contact with sellers, to the combination of emotional and intellectual information;
- they have a very “convincing basis” (slice of needs — the safety of life) to influence the minds of consumers. In order to achieve their own goals, the senders of marketing messages use the “aggravation” of the problem, the demonstration of relevant “threats”, the active involvement of fear factor;
- they take into account the fact that the image profile of consumers of ecological products starts from about 35 years old, i.e. from a generation completely adapted to digital technologies. Consequently, the marketing ecological communications in the digital space are gaining dominant weight. According to a wide-scope survey conducted by PwC company in 2021 [14], currently the prevailing consumer trend in the world is the slogan “I buy from companies that support protection of the environment”. In Ukraine, such behavior is typical for 36% of the respondents, among whom the young consumers clearly predominate.

You can win the loyalty of the consumer either by some special consumer characteristics of the product, or by the price advantage over competitors. Determining of the price policy at the stage of entering the market with the ecological goods can be quite a difficult thing, because managers need to pay attention to many factors. One of the main issues is the degree of market novelty of the goods. So, if the product has principally new ecological properties that have a high chance of being important for consumers, you can use the policy of high starting price to have enough time to gain high revenues until the following competitors can copy the product. The question is only how the consumer will evaluate the new ecological properties of the goods; since it is the consumer’s vision is crucial in market conditions, but not that of product innovations developers.

Regarding the ecological goods, there may exist some important nuances in the company’s choice of the pricing policy:
- policy of high prices. It is possible in the conditions of a high degree of adequate ecological novelty, and consumer significance of the goods. The higher its level is, the higher the price at which the company offers its innovative products to the market can be;
- policy of moderate prices. In certain market conditions the policy of high prices is often transformed into the policy of

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**Fig. 4. Priorities of consumers’ expectations regarding the ecologization of business activities, in % of the total number of respondents** [7]
moderate prices. When competitors managed to copy the ecological product novelty after some time, it is necessary to make adjustments into pricing and communication policy: - policy of low prices. The company is an ecological follower of the market leaders, has an insignificant market share. Low prices are adequate means of self-preservation in the conditions of this competitive situation.

When developing the ecologically oriented strategy, it is important to form properly the profile of consumers, as well as to segment them according to appropriate criteria. In our opinion, it is not enough to simply select consumers with a certain level of income (for instance, from 700 to 1,000 US dollars per month), i.e. to conduct one-factor segmentation. It is also advisable to consider other factors such as lifestyle, health conditions, and others. It is obvious that health concerns can become a weighty factor of ecologization of the market demand. Ecologically safe products can be of high significance for people with allergies or eating disorders, pregnant women, and so on.

Moreover, an important factor of segmentation is the geographical location of consumers. Consumers who are residents of large cities will play a special role in ecologization of the market demand. Megacities are the most attractive locations for ecological marketing and promotion of ecological supply. First of all, it is connected with the following circumstances: - higher level of consumers’ income; - the highest share of consumers in the premium segment; - high territorial concentration (density) of consumers; - effective communicative accessibility due to the mass application of digital technologies; - higher level of ecological education, culture of consumption and ecological awareness of consumers; - as a rule, difficult ecological situation, higher level of pollution of the territory, at least the atmospheric air.

In the proposed model for ecologization of the consumers’ behavior (Fig. 1), the state is shown as one of the subjects of external influence on the display of ecological interests of consumers. In general, the state has the opportunities to impact the level of ecologization of both consumers and producers. The tools for influence are the stimulation of certain behavior and compulsion [9].

Stimulation for the ecologization of consumption can be done by the state using the tools to provide preferences to relevant subjects of the market relations. This could be, for instance, providing subsidies to producers of certain goods (in particular, enterprises that create the “green” electrical energy); preferential crediting for those who buy devices, the use of which is characterized by the lowest consumption of energy resources, etc.

On the other hand, the state can use the tools of coercion and administrative impact – both to producers and consumers. For example, the reality is that the consumer is not always a “socially responsible” subject, that is, the one who forms the correct demand. He/she can also be a “socially irresponsible” subject, acting as a representative of the eco-destructive demand (for instance, as for tobacco products, the purchase and use of a car with the high fuel consumption and pollution). In such cases, the issue of ecological responsibility of the consumer to the society should arise. The state should use the tools of practical specification of the responsibility of the bearer of eco-destructive demand, because its satisfaction by the producer leads to the negative impact on the environment (current and future), and undermines the ecological safety of society.

We should note that eco-destructive demand can be formed both consciously and, very often, unconsciously. The latter can appear through asymmetry in information (for example, buying tickets to a circus show with animals, the consumer may not realize at all what conditions they are kept at). In cases of information asymmetry, the state does not definitely have sufficient grounds “to make claims” to consumers. At the same time, the consumers’ decisions to buy powerful jeeps for use in urban conditions, which in most cases are the examples of boastful consumption, can be attributed to the conscious formation of eco-destructive demand. Such buyers cannot but know the characteristics of these cars connected with consumption of the fuel – the product of refining such a limited resource as oil.

The rule “eco-destructive subject of demand – pays” should be the same principal practice of organization of economic life as the principle of “polluter pays”. An economic mechanism for implementing the principle “consumer pays” may be, for instance, the imposing of a special ecological excise tax, which is included in the prices of certain goods. In this way, the ecologically irresponsible consumer will pay compensation to the society for the actual stimulation (of relevant producers) as to make harm the natural environment. The consumer must share with the producer the burden of economic responsibility for harming the natural environment because of producing such goods or obtaining the corresponding services. The application of a special ecological excise tax can also have a positive effect on reducing the demand for such goods. In this manner the state actually performs the “policy of demarketing” as to such goods.

Conclusions. The ecologization of consumers’ behavior is one of the trends of modern market processes. The elements of this process are the needs of consumers in ecological safety, the ecological interests, the formation of ecological demand. At different markets, the ecologization takes place with different intensity and scales. It is advisable for enterprises to analyze carefully and take this market trend into account in their management. The development of an effective market strategy of the enterprise involves paying attention to all significant components of the business environment, including the assessment of the importance of ecological factor. Enterprises can choose the adaptive or expansionary strategy of reacting to the ecologization of consumers’ behavior. Taking this factor into account requires correction of such components of marketing activities as positioning, segmentation, pricing policy and promotion of ecological goods. The state influences the ecologization of the market environment exogenously – through the impact on both consumers and business entities. The effectiveness of such influence should be constantly analyzed by the state managers, and its tools should be updated all the time.

References.
Екологізація ринкової поведінки споживачів та управлінські бізнес-стратегії

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Мета. Побудова теоретичної моделі екологізації ринкової поведінки споживачів у сучасних економічних умовах і визначення основних типів стратегічного реагування на екологічний фактор середовища їх бізнес-діяльності.

Методика. Методи наукового узагальнення були використані для формулювання висновків дослідження, аналізу й синтезу — для виявлення, зокрема, структури екологічних потреб та інтересів. Статистичний і графічний аналіз дозволив показати динаміку ринку екологічних товарів і споживачькі переваги. Метод порівнянь був використаний при характеристиці стратегічних підходів до врахування процесів ринкової екологізації, особливостей екологічного маркетингу.

Результати. Послідовно виділені та обґрунтовані складові процесу екологізації ринкової поведінки споживачів: потреби в безпеці, потреби в екологічній безпеці, екологічні інтереси, екологізація ринкового попиту. Визначена структура потреб в екологічній безпеці: забезпечення відтворення природних ресурсів, безпечене природне середовище, безпечні товари. Перші дві групи потреб формують інтереси до екологічних умов господарювання, третя — до екологічних властивостей товарів. Фактори, що визначають екологічні інтереси, поділені на дві групи — ендогенні та екзогенні. Виділені два можливих стратегічних управлінських підходи щодо реагування на екологізацію поведінки споживачів — адаптивний і експансіоністський. Розглянуті особливості позиціонування, сегментування, комунікаційної й цінової політики підприємств, орієнтованих на бізнес-використання тенденції екологізації ринкової поведінки споживачів.

Наукова новизна. На підставі використання системного підходу розроблена теоретична модель екологізації ринкової поведінки споживачів у сучасних умовах. Подальший розвиток отримало визначення таких понять, як потреби в екологічній безпеці, екологічні інтереси ринкових агентів-споживачів, екологізація попиту, екологічні товари. Удосконалене визначення факторів, що впливають на інтерес споживачів до екологічних властивостей товарів, за рахунок їх поділу на ендогенну та екзогенну групи з подальшою структурацією. Обґрунтовані два можливих практичних стратегічних управлінських підходи до реагування на екологізацію попиту: адаптивний і експансіоністський. Визначені особливості компонентів екологічного маркетингу підприємств.

Практична значимість. Результати дослідження можуть бути використані менеджерами підприємств для підвищення рівня аналітичної роботи щодо врахування екологічної складової бізнес-середовища, поведінки споживачів і вдосконалення маркетингових стратегій підприємств.

Ключові слова: споживачі, екологічний маркетинг, управління, стратегія, підприємство, зовнішнє середовище

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