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The Influence of Green Marketing on the Worten Customer

Maria Beatriz Faria de Nogueira Vinha

Master in Management

Supervisor:

Prof. Dr. Invited. Vítor Vidal Santos, Assistant Professor,
ISCTE - Instituto Universitário de Lisboa

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BUSINESS
SCHOOL

Department of Marketing, Strategy and Operations

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Resumo

A contínua escassez e utilização excessiva dos recursos naturais provocou consequências ambientais catastróficas que levaram à degradação dos ecossistemas, à extinção de espécies e às alterações climáticas. Como resultado, a preocupação ambiental está continuamente a aumentar o que é claramente visível nas prioridades, tendências, e hábitos do novo consumidor, que nunca foi tão verde.

Consequentemente, a sustentabilidade está a tornar-se cada vez mais importante para as organizações que querem responder às necessidades dos consumidores, assumindo a sua própria responsabilidade e minimizando o seu impacto ambiental, acrescentando simultaneamente uma contribuição social.

O marketing verde (MV) é a ferramenta que permite promover uma consciência empresarial social e ecológica e obter vantagens competitivas, tais como a melhoria do desempenho ambiental, da imagem e da reputação da empresa. Para tal, é imperativo que esta ferramenta seja gerida de forma eficaz e consistente.

No entanto, embora o MV seja uma prática cada vez mais comum nas empresas, em geral, as organizações não avaliam o impacto do MV da marca no cliente.

Assim, este estudo centra-se na compreensão da influência do MV no consumidor Worten. Uma empresa líder no consumo de eletrónica que, embora tenha um programa ambiental forte e coerente, carece de conhecimento sobre seu efeito no seu cliente. Este representa o problema colocado pelo retalhista que foi investigado e respondido.

Os principais resultados atingidos concluíram que existe uma forte preocupação ambiental refletida na predisposição do consumidor Worten para adotar comportamentos e decisões de consumo verdes, apesar da barreira condicionante do preço. Contudo, o cliente Worten desconhece e não participa nos esforços verdes da marca sobretudo devido à dificuldade da empresa em comunicá-los de forma eficaz. Finalmente, são sugeridas cinco propostas de melhoria neste sentido.

Palavras-Chave: Marketing verde; Consumidor verde; Sustentabilidade; Worten; Retalho verde; Comportamento verde; Consumo verde.

JEL Classification System: M31-Marketing; M14- Responsabilidade Social;
Q01- Desenvolvimento Sustentável

Abstract

Continued shortage and overuse of natural resources have brought catastrophic environmental consequences that have led to ecosystem degradation, species extinction and, climate change. As a result, environmental concern is continuously increasing, which is highly visible in the new priorities, trends, and habits of the new consumer that has never been so green.

Consequently, sustainability is becoming more and more important for organizations that want to address consumer needs by taking their responsibility and minimizing their environmental impact while adding a social contribution.

Green marketing (GM) is the tool that allows to promote a social and ecological corporate awareness and gain competitive advantages such as improving corporate environmental performance, image, and reputation. For this, it must be effectively and consistently managed.

Nevertheless, although GM is an increasingly common practice within businesses, in general, organizations do not evaluate the impact of the brand's GM on the customer.

Thus, this study focuses on understanding the influence of GM on the Worten consumer. A leading electronics consumer company which, although it has a strong and coherent environmental program, lacks knowledge of its effect on its customer. This represents the problem submitted by the green retailer that was researched and answered.

The main results achieved led to the conclusion that there is a strong environmental concern reflected in the Worten consumer's predisposition to adopt green behaviors and consumption decisions despite the constraining price barrier. However, the Worten customer is unaware and not engaged in the brand's green efforts mainly due to the company's difficulty in communicating them effectively to its customer. Finally, five improvement proposals in this regard are suggested.

Keywords: Green marketing; Green consumer; Sustainability; Green Retailer; Worten; Green behaviour; Green consumption.

JEL Classification System: M31-Marketing; M14- Social Responsibility.

Q01- Sustainable Development

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List of Acronyms and Abbreviations

GM – Green Marketing

GR – Green Retailing

CSR- Corporate Social Responsibility

VAB- Value–Attitude–Behavior (VAB) Framework

TBL – “The Triple Bottom Line” Approach

CSER - Corporate Social and Environmental Responsibility

WEEE- Waste Electrical and Electronic Equipment

NRBV- Natural Resource-Based View of The Firm

SD – Sustainable Development

Introduction

Environmentally conscious is on the rise, with more people worried about the ecological footprint they leave behind. Green processes and sustainable practices are spreading across the world and becoming a common worldwide goal as well as a priority to a lot of consumers.

The concept of marketing extended in this direction of fulfilling the needs of future generations, creating, communicating, and delivering sustainability based on customer value. Enterprises need to balance their marketing strategy to meet customers' needs while maintaining profitability, public interests, and ecology (Vagasi, 2004; Kumar *et al.*, 2012). In this context, GM becomes an essential tool because its effective management creates a competitive advantage and grows new markets once companies improve their corporate image and reputation, as well as product image from the consumer perspective (Chen, 2008; Mohd Suki, 2016).

Consumers play a massive role in the green purchase and are willing to pay more for a socially responsible product (Bhavana & Thiruchanuru, 2018). In fact, *“75% of consumers would be more likely to purchase a product or service if the company is making an effort to be sustainable, while 85% of consumers are more likely to purchase a product from a company that signifies Corporate Social Responsibility as its main concern”* (Solar City, 2013; Bhavana & Thiruchanuru, 2018: 51)

In this sense, the influence of GM becomes an interesting subject to explore in a specific niche and industry. The decision to develop a project-in-company on GM was the result of the interface between personal motivations, interest in the theme and, consequent future practical implications. The possible results emerging at the end have a direct and visible impact on the company which is extremely satisfying, becoming an excellent challenge to embrace.

This project will be focusing on Worten, a market leader in Portuguese electronics retail. The brand focuses on always bringing the best in technology to everyone. Worten promotes, within its business area, several initiatives in favor of sustainability, which, on one hand, tries to mitigate its ecological footprint in the world and, on the other hand, aims to contribute to the greater well-being of the Portuguese population. Due to this, Worten's environmental investment differentiates the company from the retail Portuguese scene. The company knows *the future is green* and so, it was as available during the project's development as it was interested in the possible results.

The issue of environmental concern is gaining more and more space in business and academia (Junior *et al.*, 2015). Consumers are growing their expectations, requirements, and standards in assessing the green practices of retailers (Lai *et al.*, 2010). Thus, it is relevant to study the influence of Worten's green initiatives on its clients. In terms of managerial implications, the benefits of green retailing (GR) are very attractive to retailers seeking cost and service improvements (Lai *et al.*, 2010). Thus, it is important to analyze how GR affects consumers and to provide empirical proof from the study's results, which will consequently improve their management processes.

Besides, “*environmental research dedicated to the retail sector is relatively scarce, although there were studies sampling retailers as one of the study groups*” (Lai et al., 2010: 8). According to Lai et al., (2010), specialists have been looking to understand how GR can be successfully implemented once retailers are progressively expected to mitigate environmental damage. Thus, it is not only relevant to study the GM influence of the brand on its customers for society, but also for the environment, management, and to add new theoretical contributions.

The topic GM is as recent as it is volatile and innovative, making it desirable to study and contribute to complement the existing literature that reveals a gap towards the influence of GM on the customer in retail. This is due to the retailer’s lack of perception about the green consumer. Although Worten has a strong green program, it has no studies on the impact of its GM on its client. “*Your interview script raised questions that we had never asked ourselves. I think it's great and we look forward to reading your study's conclusions that will certainly help us and add an excellent contribution to our portfolio because we don't have any concrete data about this topic (...) I tried to know with the market research team and in fact, we don't*”, admitted Alexandra Balão in the interview, Worten's marketing specialist.

In this sense, this study focuses on understanding the effects and results of the GM used by Worten but from a customer perspective which the brand deeply lacks knowledge of. To address this problem, the study seeks to assess the awareness and effectiveness of the environmental program currently in place; to understand the significance given by customers to environmental and social responsibility; and, to discover how environmental concerns are materialized in terms of consumption and behavior. Finally, depending on the findings, a plan of proposals for improvement for Worten’s GM is suggested.

Developing an empirical study in this context is a unique opportunity to explore and contribute to a subject that seems not to be yet entirely studied in the literature, while contributing with valuable insights to Worten in this matter, becoming a promising gap to bridge.

After understanding the contextualization of GM and its relevance, it is important to clarify which objectives are intended to be properly answered at the end of this investigation. These are connected and focused on the central research problem.

1. Realize the environmental concern and predisposition of the Worten customer for the adoption of green consumption behavior and decisions.
2. Identify the influencing factors and barriers for green purchasing decisions.
3. Determine whether Worten's clients perceive the company as a green brand and access their level of awareness, engagement, and opinion towards the brand’s GM actions.
4. Identify the preferred channels and messages for green marketing communication used by the company and analyze which are more effective.
5. Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.
6. Analyze and predict the future of the brand in terms of GM and consequently suggest improvements.

Chapter 1

Literature Review

1.1. Green Marketing

The term green marketing was firstly discussed in a seminar on “ecological marketing” organized by the American Marketing Association (AMA) in 1975 where took its place in the literature. In this seminar where the impact of marketing on the natural environment was analyzed the concept was defined as “*studies regarding hostile or positive impacts on environmental pollution, energy consumption, and consumption of other resources as a result of marketing*” (Cevreorman, 2010; Boztepe, 2012: 6)

Since then, environmental concern has become an important area of interest for multi-national corporations, government, academics, and other stakeholders over the past decades becoming more popular during the 1990s (Boztepe, 2012). For instance, Polonsky (1994: 2) defines it as “*all activities that have the purpose of generating and facilitating any changes that will satisfy human needs and desires, and the satisfaction of these needs and desires must occur with minimal impact on the environment.*”

Fuller (1999; Kumar, 2015: 55) describes it as “*the process of planning, implementing and controlling the development, pricing, promotion and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organizational goals are attained, and (3) the process is compatible with the ecosystem.*”. A decade later Kotler and Armstrong (2009; Kumar, 2015: 18) come up with a new definition stating that green marketing is the marketing “*that meets the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs*”.

Today, on AMA institutional website green marketing is defined in three distinguished scopes: first, green marketing is the marketing of products that are presumed to be environmentally safe (Retailing Definition); second, it is the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality (Social Marketing Definition); and third, refers to the efforts by organizations to produce, promote, package, and reclaim products in a manner that it is sensitive or responsive to ecological concerns (Environmental Definition).

Green marketing is tied to the universal goal of sustainable development and is classified as a sub-component of the corporate social responsibility, a subset of the marketing concept, and a tool for enhancing sustainable development (Jamge, 2012; Muposhi, 2018).

GM is often used by sustainable companies, that generate profit while protecting the environment. To become one and achieve sustainable development, companies must manage while ensuring sustainability. The management for sustainability suggest the integration of aspects related to sustainable development in the strategy, operations, and other business processes of organizations (Gomes *et al.*,

2015). Sustainable business models include the three dimensions of sustainability (environmental, economic and socio-political), commonly referred to as “the triple bottom line” (TBL) approach (Elkington, 1994; Bocken *et al.*, 2014) and consider a wide range of interests of stakeholders, including the environment, economy and society (figure 1.1). Each one of these dimensions refers to three elements respectively - planet, profit, and people - which are crucial to conduct and implement innovation for sustainability as well as constitute a key factor in overcoming competition (Bocken *et al.*, 2014).

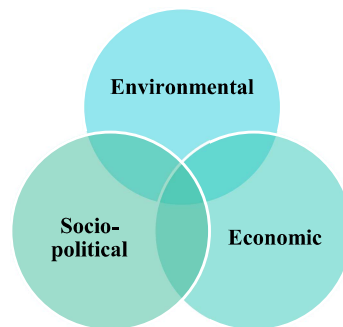


Figure 1.1: TBL- “The Triple Bottom Line” Approach

Source: Elkington, 1994; Bocken *et al.*, 2014

Nowadays, green marketing is considered one of the main trends that in the corporate strategies and businesses (Chen & Chai, 2010; Ferreira, 2013). Today's marketplace is changed from the past decades in a matter that it is more environmentally friendly. Consumers are now more concerned about their shopping attitudes and purchases. They are worried about the planet they are living on and desire to contribute towards its longevity and well-being (Ansar, 2013).

This growing international movement towards sustainability and climate change is leading organizations to embrace the challenge of integrating environmental issues into their business strategy and activities (Nidumolu *et al.*, 2009). In this sense, companies are investing in R&D, manufacturing, design, and innovative technologies to develop new products and services that foster cleaner production. However, this is not enough and remains essential to define a product concept and design. Marketing plays a key role in becoming fundamental not only for this process but to the creation of a greener market and to diminish the corporate' ecological footprint (Dangelico & Vocalelli, 2017).

Firms that are unable to answer to the “green challenge” with products that are safer for the environment put themselves in danger once they will risk losing some credibility in the consumer's perspective who are more and more concerned with environmental issues. At the same time, firms who implement green marketing strategies will be able to take advantage of the numerous and new opportunities powered by the environmental consumerism rising trend (Finisterra do Paço & Raposo, 2010). Lee (2012; Klotz, 2013) suggests considering the following global dimensions of green marketing as business success factors as shown in figure 1.2.



Figure 1.2: Global Dimensions of Green Marketing as Business Success Factor

Source: Adapted from Lee 2012; Klotz 2013

1.1.1. Green Communication

Green communication is critical in green marketing, as it is the expression of the company's integrity and reliability (Lanfranchi *et al.*, 2018). Nguyen *et al.*, (2017) subscribe and highlights the role of communication as the most important strategy to engage customers in the green purchase. The authors underline that organizations should put their efforts into raising awareness about environmental issues and the consequences of unsustainable consumption to stimulate consumers' feelings of responsibility to opt for eco-friendly choices. Also, they suggest young consumers as a powerful engine in the promotion of environmentally conscious behaviors in emerging markets.

Bailey *et al.*, (2018) research reported that consumers' attitudes and intentions towards marketing communications were impacted by their green consumption values. Also, the results suggest that green consumers respond in favorable ways to different forms of green marketing communications such as the use of public relations and advertising. Hence, it would be valuable to brands to build and implement green integrated communications strategies, instead of just a green advertising strategy (Carlson, Grove, Laczniak, & Kangun, 1996; Bailey *et al.*, 2018). According to Lanfranchi *et al.*, (2018: 12), "*Business environment communication in the future will need to be integrated horizontally (with the usual forms of corporate communication), vertically (requiring the contribution of all levels of enterprise organization) and transversally (involving all business functions from accounting to marketing).*"

Dangelico & Vocalelli (2017) suggested taking highly into consideration the wider use of online marketing channels on the real greenness of a marketing strategy. Several authors before agreed claiming that, "*consumers have become empowered through digitalization once they can use the Internet and digital tools such as mobile devices in-store to find the information needed especially in the evaluation phase before making a purchase*" (Edelman & Singer, 2015; Grewal, Roggeveen & Nordfält,

2017; Shankar, Kleijnen, Ramanathan, Rizley, Holland, & Morrissey, 2016; Bergvall & Degerskär, 2018:17).

Mohd Suki (2016) affirms that to increase consumers' attitudes towards green brands, companies should reinforce the use of a variety of marketing channels including creative product packaging through compelling eco-labeling, and via Social Media such as Facebook, Twitter, Instagram, etc. In fact, within the online marketing channels, Social media has become a very important tool over time, since it plays an effective role in supporting the green movement and spread green awareness (Griffin, 2010; Kang & Kim, 2017).

These attempts aim to help and disseminate green marketing message contents like superior green product quality, product ingredients, and competitive prices. These strategies not only promote business sustainability but might improve consumer awareness and boost repeated green purchasing and satisfaction (Mohd Suki, 2016). Kang and Kim (2017: 3) acknowledged it and highlighted the power of social media, among these green marketing strategies, in *“providing green brands with the opportunity to promote their own environmentally friendly product lines, as well as to share the green methods with which they create and develop their green products.”*

1.1.2. Green Marketing Mix

Green marketing such as traditional marketing involves two major subjects: marketing mix and marketing strategy. The green marketing mix implies everything from green product development and the execution of pricing, promotional, and distribution, which is specifically aimed at promoting or preserving environmental welfare (Kinoti, 2011; Sohail, 2017). Businesses should try to combine and integrate its 4 Ps' (product, price, place, and promotion) into green marketing and so, organizations must embrace the challenge to perceive products produced in a way that will damage neither society nor the environment while at the same time be profitable (Bhalerao, 2016).

The green marketing concept can be applied in each component of the marketing mix comprehensively. A study regarding the green marketing mix proved to have a positive influence on customer loyalty and satisfaction, also the green product was the most important factor (Chairunnisa *et al.*, 2019). Davari and Strutton (2012; Dangelico & Vocalelli, 2017) confirms this theory when analyzed the relationship between the 4 *Green P's* and consumer perception and reaction concerning a sustainable brand. In their study, they discovered a significant relationship as well between the 4 Green Ps and brand loyalty. Green Product was the P' with a major effect on loyalty and found crucial to a brand association (the capacity to relate a brand to something in memory).

To achieve conscious consumers, firms need to adopt postures in the direction of green marketing, in other words, respect the feelings of consumers who now present sophisticated consumption behavior and are motivated to promote change and the appreciation of environmental, economic, and social issues. The green marketing mix appears to be a starting point to do it in the most effective possible way. Paiva and Proença (2011) analyzed each one of the 4 P's and refer some questions and aspects that

should be thought by companies before launching a successful green product. The authors give recommendations to an effective green promotion, correct setup of green price, and suggest a green place policy. To have a clear overview of the author's conclusions and recommendations, it was created a theoretical table adapted from their book (see Annex A). The findings above orient organizations for the effective planning and management of the Green Marketing Mix.

Analyzing this subject within the sector of the company under study, some evidence support the previous conclusions and guide retail companies towards a more effective green marketing mix. According to Kumar (2015), exploring and developing a green retail mix allows good results in terms of explaining efforts in creating awareness of green products and offering repeated green product exposure in retail stores. This makes consumers recognize and remember green products while improving their familiarity with green products. Moreover, the author suggests that retailers as leading actors in green marketing should explore and try to understand how to use their facilities to improve customers' experience with green products (green place).

1.1.3. Green Marketing Strategy

Besides the marketing mix, it is also important to fully comprehend the extent of the other dimension of marketing in the scope of green marketing. Marketing strategy is an ongoing cycle where individual *STP (segmentation, target, and positioning)* process sequences are contributing to achieve competitive advantage (Moravcikova *et al.*, 2017).

Segmentation and targeting, are the processes that allow a company to determine the group or groups of consumers to sell. Dangelico & Vocalelli (2017) concluded that, in the Green Marketing domain, there are two major approaches for segmenting consumers: according to consumer's characteristics or according to purchase's ones. Another conclusion the author reaches was that several studies found it inadequate for Green Marketing to follow a traditional market segmentation.

That said, the authors point out different *segmentation* criteria from several authors in their investigation such as psychographic, demographic, behavioral, and motivational criteria. Other studies have concentrated on specific consumers' generation and/or nationality.

Concerning Portugal and its green consumer market segmentation Finisterra Do Paço *et al.*, (2010) used demographic and environmental criteria to segment Portuguese consumers. The author's research allowed him to characterize the various groups into three segments: The Uncommitted; The Green Activists; and The Undefined.

Concerning *targeting*, according to Dangelico & Vocalelli (2017), green marketing should be rethought: from targeting green consumers with green products to broadening the targeted consumers by including green features as one of the many attributes of a product review (Rex and Baumann, 2007). Polonsky and Rosenberger III (2001) added that the use of technological tools, such as the Internet, improves the targeting of green consumers. Besides, Nguyen *et al.* (2017), proposes that more collectivistic consumers should be targets for green businesses once they are more concerned about their

positive impacts on nature and the welfare of others throughout their buying decisions. Ferreira (2013) confirms this theory by stating that collectivism is the psychographic variable that better explains the green purchasing behavior of Portuguese consumers. Finally, Nguyen *et al.*, (2017) mention green marketers should consider the diversification and variance in personal cultural values within a single national culture, and so focusing on specific target marketing strategies to be conceived and implemented more successfully (Nguyen *et al.*, 2017). Finally, international green marketers should rethink adolescents as one of their potential targeted markets because they have purchasing power; influence their parents' and friends' purchase decision; are more willing to new and innovative ideas; and because future generations are more interested in a cleaner environment (Lee, 2008).

Suki's (2016) research revealed that green brand *positioning* is a critical predictor of consumer's purchase intention for green products. The author states that "*successful green brand positioning can be seen as an advantage for marketers to differentiate their products from available competitors, giving the impression of being distinguishable, while creating more demand and increase consumer intention to purchase more green products*" (Suki, 2016:12).

Aaker *et al.*, (2002) explain green brand positioning is linked to the value of green products or services, which is based on the brand's environmentally friendly attributes that have importance to consumers (Hartmann and Ibanez, 2006; Rios *et al.*, 2006; Suki, 2016). One of the biggest challenges in GM trusts on this. It is crucial to get it right when positioning and developing a communication strategy for a green product or service once the green aspects of a product have to be communicated to the customer in an appropriate manner (Narula & Desore, 2016).

As reported by Dangelico & Vocalelli (2017), this positioning can be based on functional or emotional product attributes which have a positive effect on brand attitude, although the effect increases when both types of positioning are combined (Hartmann *et al.*, 2005; Dangelico & Vocalelli, 2017). There is a risk when using exclusively functional features in green positioning because they can be easily copied, which might reduce flexibility or brand differentiation (Aaker, 1996; Dangelico & Vocalelli, 2017). Otherwise, the company can fall into Green-marketing myopia, this "*occurs when businesses focus too much on the pure-green attributes of their products, without considering important value drivers that increase the attractiveness of their offerings*" (Ottman *et al.*, 2006; Dean & Pacheco, 2014:18). Lanfranchi (2018: 4) defines it as "*the mistake of overestimating environmental quality at the expense of consumer satisfaction.*"

Although many see the green market as a small niche, there is a wide range of approaches to position a green product or service, but first, a company must understand the value created by offering these kinds of products to the customer and embracing them as part of its value. According to Dean and Pacheco (2014), emerging *strategies for environmental marketing* are divided into five categories, that rest on the potential customer base and types of value created for those customers (figure 1.3).



Figure 1.3: Five Strategies for Environmental Marketing

Source: Dean & Pacheco (2014)

The *Pure-Green Play* corresponds to the traditional approach to environmental marketing that is to market pure-green attributes of a product or service to customers who have green values and beliefs and capture their attention to the environmental impacts of the products they buying (Roper, 2002; Dean & Pacheco, 2014). A good example is the marketing of renewable energy to consumers. On other hand, a variety of companies are creating products that deliver environmental value but combine these values with strong functional and emotional appeal. In this case, an individual’s willingness to purchase green products may as well be driven by the desire for social status or image (*Market Green Status and Image* strategy). Fulfilling an individual desire for affiliation with green features can also be a powerful marketing strategy (Dean & Pacheco,2014)

When a company offers and promotes functional value attributes that go beyond the pure-green and status attributes of green products to target a broader audience it is using a *Sell Functional Value* strategy. Customer benefits are often increased efficiency and cost-effectiveness, health and safety, convenience, and better overall quality and performance (Dean & Pacheco,2014). *Target Commercial Markets* promotes green products to commercial and industrial buyers as a major opportunity instead of selling to consumers, benefiting much more from commercial markets than from consumer markets. Solar power installers for instance have concentrated on large commercial installations as an alternative of residential clients, once they can deal far more effectively with complexities of installations, and the transaction costs of each installation are expected to be much lower (Dean & Pacheco,2014).

Some enterprises chose an entirely different path from the ordinary and stayed more subtle instead of promoting their environmental attributes directly using a *Holistic Brand* strategy. They “do the right thing” while building a brand image focused on environmental considerations which helps the company create and support a holistic brand image that is consistent with their product and business strategy. Due to this, they tend to have the most authentic value-driven businesses, active sustainability programs,

extraordinary environmental performance in their industries, and their priority is the quality of their product (Dean & Pacheco,2014).

However, a question emerges when choosing a strategy: How do companies create and select the most appropriate strategy? Ginsberg and Bloom (2004; Dean & Pacheco,2 014), suggested four different green marketing strategies for a company that intends to launch a green product in the overall economy of the green market (figure 1.4.). The vertical axis explains the capability of absorption from green market segments while the horizontal axis is illustrated a company’s ability to differentiate a product by turning it green (Moravcikova *et al.*, 2017).

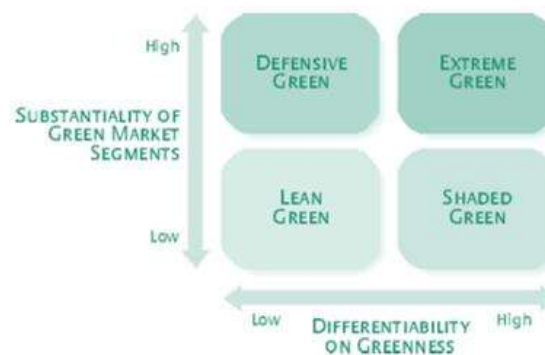


Figure 1.4: Green Marketing Strategies by Ginsberg and Bloom

Source: Moravcikova *et al.*, (2017)

Moravcikova *et al.*, (2017) explain each one of them. A company using a *Lean Green* strategy attempts to be responsible for society focusing on reducing costs and increasing efficiency through environmental initiatives, thereby building a competitive advantage based on low cost. A *Defensive Green* strategy is used by companies as an anticipation approach in crisis or safety from the competition. Their environmental actions are as promising and sustainable, as they are sporadic and temporary since they do not aim to be distinguished from the competition through green initiatives.

A *Shaded Green* is applied when a business invests in environmentally sustainable processes in the long-term, requiring significant resources. The enterprise perceives green marketing as a chance to build innovative products and technologies that meet customer needs, which gives it a competitive advantage. Lastly, an *Extreme Green* incorporates ecological concerns entirely into the business processes and product life cycle. The enterprise frequently works on special markets (market gaps) through dedicated outlets and distribution channels.

1.2. Green Consumer

Consumers are way more informed than a few years ago and can easily get any data just by unlocking their smartphones. Also, the offer escalated very quickly which turned today’s customers more demanding in what concerns their consumption choices. The growing awareness of sustainable problems headed to the establishment of the “green” concept leading to a new type of product and consumer. This

changed the way consumers go about their life, including their attitudes towards a green lifestyle. Society is persistently trying to reduce its impact on the environment, yet this is not wide and is still rising (Arshad *et al.*, 2014).

Across the globe, it is estimated that 82% of consumers now prefer green products to conventional ones (Tinne, 2013; Muposhi, 2018). The green consumer is considered to purchase green products instead of regular ones once their concerned about its characteristics and the way it impacts the environment (Leonidou *et al.*, 2010). They have become an energetic force behind how companies do business, and these eco-friendly customers are creating a new economy around the globe (Arshad *et al.*, 2014).

1.2.1. Purchase Intention and Willingness to Pay More

Laroche *et al.*, (2001) proposed a model that encompasses the different variables that influence the consumer's purchasing behaviour, in particular the consumer's predisposition to pay more for a green product, as an alternative to a conventional product (figure 1.5). The author suggests analyzing five dimensions that will be next explained: green knowledge, behavior, attitudes, values, and demographics.



Figure 1.5: Conceptual Framework on the Consumers' Willingness to Pay More for Environmentally Friendly Products.

Source: Laroche *et al.*, (2001)

Green Knowledge plays a big role as an influencing factor. Customers who are willing to pay more for environmental products believe that today's ecological problems are dangerous, that companies do not act responsibly to the environment, and that adopting a green behavior is important (Larouche, 2001). To maintain green consumers and gather others, marketers should advertise the reasons why it is good to purchase green products (Larouche, 2001). Huang *et al.*, (2014; Suki,2016) agree to affirm that, when customers are informed about the advantage of buying green products and that matches with the products' high performance, they are more willing to change their behavior and purchase intentions towards a greener lifestyle.

As regards *Green Behaviors, Attitudes, and Values*, they also play a big role in this matter. Nguyen *et al.* (2017) studied the roles of dual personal values (individualistic and collectivistic) and concluded that, unlike individualists, collectivistic consumers firmly emphasize the environmental effects of their purchase decisions. Ecologic values and attitudes are the central concepts in environmental psychology (Hurst *et al.*, 2013) which are stated as crucial factors to induce green intention/behavior (Lee, 2011). The value–attitude–behavior (VAB) framework states that an individual’s perception of the environment in which one lives can be organized into a cognitive hierarchy organized in these three concepts (Homer *et al.*, 1988; Milfont *et al.*, 2010; Kautish *et al.*, 2019). Their findings showed that the higher the degree of value orientation (patterns of basic beliefs), the higher the degree of environmental attitude; and consequently, the greater the degree of pro-environmental behavioral intentions (Lee, 2011).

A study conducted last year confirmed the previous studies. The findings revealed that the environmental values of consumers positively affect the attitude toward green products and thus, affect green behavioral intentions (Kautish & Sharma, 2019). Additionally, a different study found that a green attitude only affects behavior intention positively if the consumer feels like he can complete an action (Madden *et al.*, 1992). On other hand, Lee (2008) found that green purchasing behavior is more easily motivated by emotional involvement than by rational assessment. Thus, the author states that green purchasing behavior carries social meanings and functions and suggests interpersonal communication as an effective tool for changing it.

A green consumer implies adopting attitudes and behaviors that minimize negative effects on the environment. Specifically analyzing Portuguese consumers, Schoor (2013) verified that individuals: 1) are moderately informed about environmental issues; 2) believe that their efforts have a significant impact on the environment; 3) often separate household waste; 4) sometimes purchase ecological items; 5) and, buy specific green products moderately. Moreover, they seem to be more engaged with perceived efficiency, environmentally friendly buying behavior, recycling, and resource-saving (Finisterra Do Paço *et al.*, 2010).

Finally, in terms of *Green Demographics*, according to Lee (2008), younger consumers have greater green purchasing behavior. However, according to Ferreira (2013), older Portuguese consumers are more willing to buy green products. Furthermore, the author's research concluded that gender, income, and education are not relevant to determine consumers' purchasing behavior. On the contrary, Boztepe (2012) states that female consumers with higher income and educational levels are more willing to engage green purchasing behavior.

1.2.2. Barriers and Challenges to Green Purchase

Although green marketing is gaining in reputation as a vital strategy, there are still several other challenges that arise in implementing this type of marketing. According to Muposhi (2018), the integration of green marketing is expensive in short term caused by a discrepancy in green products demand, customer cynicism, failure to structure effective green marketing messages, inability to

measure environmental performance, and high initial financial investments required for green technology as well as research and development.

Nevertheless, literature states that, in the long run, green marketing can be a viable strategy once it improves the corporate image, diminishes wastage, rises market share which can reflect on future better financial performance (Muposhi, 2018). The authenticity of many advertisements and messages, credibility, and price are other constraints associated with green products (Laroche *et al.*, 2001; Harris, 2007; Boonkanit & Kengpol, 2010). Nguyen *et al.*, (2017), agree with these key barriers to green purchases and explains the reasons behind them.

Above availability and convenience, *price* is arguably the most relevant barrier in the purchase of eco-friendly products. Green products are perceived to be more expensive and customers are unwilling to pay the higher price only for green performance (Nguyen *et al.*, 2017). The fact that companies invest in research, innovation, product testing, new materials, and even new production methods requires that, in the end, they frequently register a higher price contrasted to similar products made in the traditional way (Kengpol & Boonkanit, 2010). Portuguese consumers, for instance, although strongly support pro-environmental policies, their concerns seem to not be converted into actions.

According to Finisterra Do Paço *et al.* (2010), Portuguese population protect the environment mostly by saving electricity and water, which indicates their concerns are more related to economic factors than with environmental consciousness. So, it can be assumed that Portuguese consumers realize the environmental problems and challenges, nevertheless, these concerns are not always turned into environmentally friendly behavior. However, the author highlights that some consumers are ready and willing to truly adopt this behavior and base their buying decisions on purchasing products that do not damage the environment.

“Credibility is the foundation for effective green marketing action. Therefore, it is necessary to support the environmental benefits that the consumer obtains from the use of the green product through specific actions. Messages must be specific, meaningful, and qualifying, for example, by comparing them with similar products.” (Lanfranchi *et al.*, 2018: 115).

A lack of green *credibility*, along with customer cynicism and uncertainty, is a concern in terms of green marketing strategies (Carlson *et al.*, 1993; Davis, 1993; Kang & Kim, 2017). The low level of credibility of eco-labels constrains green buying behavior and a new concept arises within this subject (Nguyen *et al.*, 2017). *Greenwashing* is defined as the intentional or unintentional act of misleading consumers about an organization’s green practices or the environmental benefits of a product or service (Fernando *et al.*, 2014; Muposhi, 2018). Iraldo (2016; Dangelico & Vocalelli, 2017) clarifies that unintentional Greenwashing happens when a company is so fascinated by an action that can reduce its product environmental effect, that it does not assess the total of that impact. For instance, sometimes using recycled materials might pollute even more than using virgin raw materials when considering a life cycle angle. Volkswagen and its deceit on cars' emission, is an example that reveals all is not what seems, indicating that Greenwashing is as subtle as diffused.

Information is another significant barrier to green purchase. Several studies on the behavioral outline of consumers point that, the green consumer is confused due to low awareness and knowledge about green products and lack of effort from enterprises in providing the right kind and accurate information (Carlson *et al.*, 1993; Narula *et al.*, 2016). This issue is associated with Green Knowledge and companies must work towards this subject. The lack of information contributes to the suspicious perception of the consumer. This is mostly due to ineffective education and communication towards green products and services. Structuring green marketing messages in terms of tone, style and appeal is a challenge as well as communicating ecological complex environmental problems (Nguyen *et al.*, 2017).

However, the author presents a few *strategies for overcoming barriers to green purchase* (Nguyen *et al.*, 2017): Production Efficiency (enterprises and manufacturers to cut their prices need to improve their production efficiency by, for example, adopting subsidy programs or investing in R&D); Availability (to enhance green buying behavior it remains vital to ensure wide availability of green products, for this is essential to work side by side with retailers); and, Eco-labelling (governments have a very key role here and should create and strengthen the laws regarding the authentic certification and labeling of eco-friendly products). Nevertheless, as stated before, effective green communication is the key to overcome this issue.

1.3. Green Retailing

Organizations are more and more concerned about integrating sustainability within their business and culture, becoming greener to properly answer to the changes in market trends (Bergvall, 2018). Therefore, retailing has become “*an important building block, any green marketing program and has raised the significance of retail-focused sustainability research*”. (Wiese *et al.*, 2012; Kumar, 2014: 2). Thus, a new concept emerges within this scope: Green Retailing.

According to Lai *et al.* (2010; Dabija *et al.*, 2018), green retailing stems from the natural resource-based view of the firm or NRBV (Hart, 1995; Dabija *et al.*, 2018). NRBV underscores a firm’s connection with the natural environment and highlights its three strategic capabilities: pollution prevention, product stewardship, and sustainable development.

Organizations that develop green practices, integrating all of these, are the most valuable in achieving sustainable cost and service benefits (Dabija *et al.*, 2018). Kumar (2014: 2) states that green retailing “*incorporates availability, display, and promotion of green products, sustainability practices in the retail stores, and ethical business practices.*” The author considers three dimensions in green retailing and explains them (table 1.1), while Klotz (2013) proposes seven key categories of environmentally sustainable initiatives in retail which its effective management has a positive effect on the retailer’s performance (figure 1.5).

Table 1.1: Three Dimensions of Greening Retail

Environmental	Social	Ethical
<ul style="list-style-type: none"> • Sourcing and promoting environmentally friendly products • Practicing environmentally friendly business operations. 	<ul style="list-style-type: none"> • Sourcing products from manufacturers who are committed to nurturing communities • Preserving traditions (culture, skills and wisdom) • Developing economic opportunities and generating employment (livelihood) 	<ul style="list-style-type: none"> • Sourcing products from manufacturers who practice fair trade and no child labour, defend human rights, support local communities and NGOs and meet national and international standards.

Source: Adapted from Kumar (2014)

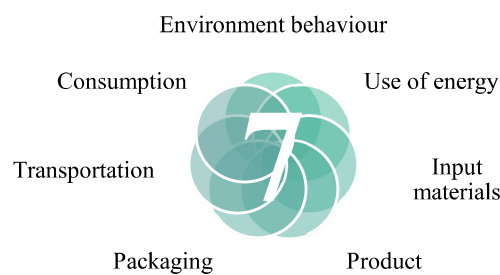


Figure 1.6: The 7 Key Categories of Environment Sustainable Initiatives in Retail

Source: Adapted from Klotz (2013)

1.3.1. Corporate Social Responsibility (CSR)

“The instrument that could most contribute to the creation and consolidation of corporate identity is therefore represented by communication.” (Lanfranchi *et al.*, 2018:125). Corporate images communicate the identity of an organization and include a range of factors: social responsibility (SR), product image, and corporate reputation (Ko *et al.*, 2013).

Ko *et al.*, (2013) research relies on this subject and led to interesting findings for retailers. First, the author highlights the relevance of corporate image in green retailing and provides insight into an effective marketing strategy by studying the relationship between corporate image and green marketing performance. From a consumer perspective, findings point to a strong association between both. Furthermore, it was suggested that a green marketing program influences the consumer’s purchase intentions through the direct effect of the product image and corporate reputation. On other hand, SR plays an important role as a mediator in the impact of green marketing performance. Taking this into consideration, firms can more easily meet the growing number of socially conscious consumers' expectations by developing more social responsibility in their image-building programs (Porter & Claycomb, 2010).

Sustainable development (SD) and corporate social responsibility (CSR) have been rising trends overtime and retailers are responding by promoting and implementing actions towards both dimensions.

Nevertheless, it appears they fail to build a clear link between retailing and SD, due to their lack of effective communication of their CSR programs (Porter & Claycomb, 2010). One explanation could be related to the fact that the retailing-SD relationship is hard to establish in the consumer's minds.

Corporate social responsibility (CSR) is an important factor within the retail industry due to its importance in strategic business actions (Ko *et al.*, 2013) and so, retailers' corporate values must reflect more clearly the firm's CSR commitment concerning the stakeholder's expectations (Porter & Claycomb, 2010). Also, CSR image positioning can accelerate "green consumption" and boost retail sales (Ko *et al.*, 2013).

1.3.2. Customer Loyalty and Satisfaction in Retail Stores

The persistent and growing pressure upon consumers to 'go green' has had an unavoidable impact upon their choice of goods that has led to a sustainable revolution in how retail stores operate and choose their suppliers. Thompson (2007) suggests that a retail store to go green should take into consideration three factors of sustainability: liveability, viability, and sustainability. For example, modern shopping centers are built to the top environmental specification and are demand-led ensuring viable in a liveable space.

When discussing sustainability, the most common subject found within retail literature concerns the role of green behavior in creating customer loyalty towards a retail store (Kang and Hur, 2012; Asgarian *et al.*, 2014; Dabija and Bejan, 2017; Dabija *et al.*, 2018). This is much related to the concept of shopping value, which is originated from the customers' shopping experience and the product they purchase, meaning that a client purchases a product not only based on its tangible variables but also from what they mean (Levy, 1959; Yusof *et al.*, 2012). The two types of shopping value are shortly explained in a table developed based on the literature reviewed by the author (see Annex B).

Although different from each other, both types of shopping value influence satisfaction, loyalty, and word of mouth communication (WOM) in a retail context (Carpenter and Fairhurst, 2005; Yusof *et al.*, 2012). According to Yusof *et al.*, (2012), green image strongly influences shopping value, which in turn strongly influences store loyalty, meaning shopping value functions as a mediator between green image and store loyalty.

Hence, these findings suggested that shopping value is important in influencing consumer behavior in a retail store and can be used to determine green consumer behavior, image, and loyalty. Also, the following studies confirm this suggesting that involving customers with green products creates solid retail brands (Swoboda *et al.*, 2009; Kumar, 2014), increases consumers' brand loyalty and, generates positive attitudes regarding retailers' image (Van Den Brink *et al.*, 2006; Kumar, 2014).

Specifically talking about electronics stores, a study conducted by Dabija *et al.*, (2018), concluded that loyalty is a result of the interface between green behavior, the propensity for environmental protection, and responsible consumption. All these dimensions were strong and highly correlated with each other in generating green consumer loyalty. Therefore, many of these retail companies implemented sustainable programs and strategies to engage consumers in endorsing green behavior and

support responsible consumption (Dabija *et al.*,2018). For this, electronic retailers are focusing on collecting and recycling electronic and household appliances, computers, and other IT accessories that if not well discarded can strongly damage the environment. The fact that recycling and green product consumption-oriented is profoundly rooted in most consumer's mindset nowadays, contributes to the protection of the environment, and encourages future preferences to seek for stores that implement sustainable practices (Dabija *et al.*,2018).

1.3.3. Sustainable Development

When talking about sustainable development as stated before, the three key dimensions of the concept must always be considered (TBL) together as a whole rather than reported separately (Bergvall, 2018). Wilson (2015) agrees and argues that competitive advantage in retail can only be achieved if the three-component areas (TBL) are successfully integrated into an organization's sustainability core business.

According to Klotz (2013), several aspects are affecting the development and implementation efficiency when integrating the sustainable development concept in retail (see Annex C). Nevertheless, retailers integrate sustainability into their business models as they believe it has a long-term positive effect on their growth (Jones *et al.*, 2012; Klotz, 2013). This growth can go from consumer perceptions, which can translate into increased sales and profit, to reducing costs through the optimization of a retailer's processes and operations.

From a consumer perspective, according to Porter and Claycomb (2010), if a retailer's SD actions are seen and valued, young consumers show an emotional connection that is converted into positive attitudes, purchasing intentions, and willingness to recommend the retailer. For example, the use of environmentally friendly materials in product development or the expansion of Fairtrade product lines can improve the consumers' perceptions. Ko *et al.*, (2013) supported this and found environmental concerns and consumer demand for green products to be driving forces behind the resurgence of green marketing, stressing the importance of consumers' perception.

On other hand, sustainable development can also impact the reduction of costs and risks, which as a result influences positively a retailer's overall business and financial performance. According to Klotz (2013), sustainable cost management was proved by the author's research to be a critical factor in the business success of retailers. The author studied a series of green practices in the literature on how retailers can effectively manage sustainable costs. These were compiled in table 1.2. to facilitate the understanding of this subject.

Table 1.2: Sustainable Cost Practices

Development path to sustainability in retail	Key measures of sustainability in retail	Main sources of costs in retail	Primary areas of cost savings
<ul style="list-style-type: none"> • External pressure • Compliance • Risk management • Cost savings • Value strategies <p><i>(RILA – Retail Industry Leaders Association: Improving Sustainable Supply Chain Efforts Among Retail Leaders).</i></p>	<p>They support the basis for efficient management of sustainable cost, as one of the factors of business success in retail:</p> <ul style="list-style-type: none"> • Adequate product (standardized quality) • Energy consumption (in each stage of the supply chain) • Human rights and labor laws (their respect) <p><i>(Sustainable-Sphere: Sustainability in Retailing Industry).</i></p>	<p>Their optimization can significantly improve the cost-effectiveness to achieve better performance in retail:</p> <ul style="list-style-type: none"> • Inflation of earnings • Increased general Expenses • Vendor, financing, and inventory costs <p><i>(KPMG / UK – The Cost Boomerang).</i></p>	<ul style="list-style-type: none"> • Use of international and domestic • Outsourcing • Elimination of unprofitable units and lines of business • Efficient use of service channels • Improvement of procurement position • Efficient administration • Improvement of risk management • Efficient use of information technology (it) • Reduction of the level of service <p><i>(KPMG / UK - The Cost Boomerang).</i></p>

Source: Adapted from Klotz (2013)

The space of a retailer is a huge part of its business that must be managed properly and efficiently, logically sustainable cost plays a big part in it. According to Davari and Strutton (2014), green place involves the management of tactics, related to distributing green products from their points of origin to their points of consumption. Larger retailers are integrating sustainability in this matter creating a green retail space, to diminish their carbon footprint and optime energy consumption and waste management (Thompson, 2007).

Furthermore, the author affirms retailers must do it to keep up with their competitors, attend to consumers' demand, and to save money. Klotz's (2013) findings on sustainable costs, reveal this last one is the main reason why global companies, particularly retailers, change themselves concerning energy, environment, and sustainability.

Retailers can drastically reduce costs through more efficient use of energy and water. Energy efficiency plays a key role in improving logistics and supply chain efficiency (Halldórsson, 2010; Klotz, 2013). Thomson (2007) identified the three main energy problems in retail: lighting, heating/cooling, and equipment. For this, the author suggests some tactical responses: upgrade to low energy devices; use LEDs and low energy bulbs for lighting; and use green energy. Wilson's research (2015) also underlines the importance of employee engagement for retailers' to properly implement and manage a brand's sustainability program. As a result, the company benefits internally since it reduces costs and improves the company's profitability and performance.

Finally, Lai *et al.*, (2010) research also highlight the importance of green marketing on sustainable cost. More and more retailers are using green marketing to address the issue of balancing economic profits with environmental performance as a result of rising pressures of customers, regulators, NGOs,

and other stakeholder groups. Since green marketing is more and more a vital tool, in order to identify which green retail practices can serve best the retailers' interests, the authors developed a loop strategy to guide them for green retailing success through a roadmap. This model includes strategic recommendations to achieve continuous improvement in green retailing (figure 1.6).

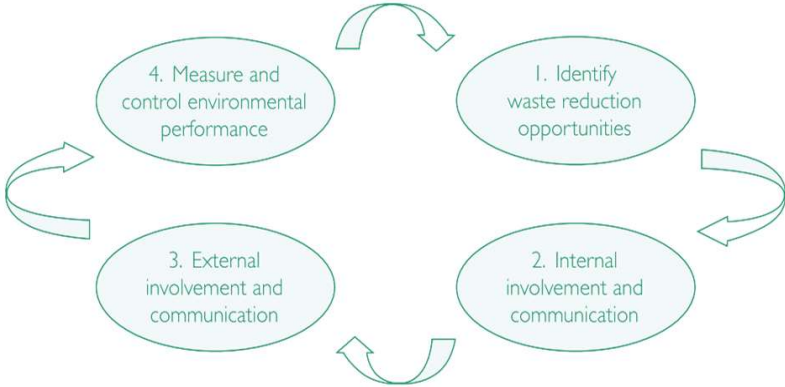


Figure 1.7: Continuous Improvement for Green Retailing Implementation

Source: Lai *et al.*, (2010)

Chapter 2

Methodology

2.1. Method

To achieve the research objectives within this project and to create a solution for the problem submitted by the company under study, Worten, a methodology was defined. Both quantitative and qualitative research methods were used to increase the quality of the outputs. This chapter aims to describe the methods and techniques of data collection and analysis used to understand the influence of green marketing on Worten's customers and, consequently, suggest some improvements according to the results and conclusions from the investigation.

2.2. Research Context

The electronics market has been changing. Today, the customer knows the product better, searches it before going to the store, and wants a product that meets and is tailored to his different needs. Environmental protection is one of these needs that has been gaining importance for the consumer over these last years. This is due to the growing awareness and number of green consumers over time, caused by the sustainability rising trend that hopes for a green future and a better planet.

Consequently, companies have been increasingly investing and adopting sustainability as part of their values and strategic axis. This is due, not only to respond in time and effectively to their client's new needs but also to take advantage of this opportunity and enhance corporate image and reputation, as well as optimizing their processes by reducing costs and so, improving the company's environmental performance. As a result, green marketing has become the most important tool for effectively managing green activity and achieve great results in this domain.

In the electronics retail sector, sustainability gains particular importance as the equipment they sell is associated with a high level of pollution during and after its useful life (e-waste). According to a study by the World Economic Forum, only 20% of the world's e-waste is formally recycled by competent responsible entities. The remaining 80% is supposed to end up in landfills, putting food and water supply systems at risk, or are informally recycled, using manual labor, exposing workers to highly dangerous substances such as mercury and cadmium.

The numbers for e-waste are impressive and alert to the need for greater awareness in society, which can be justified by the amount of electrical and electronic equipment that has reached the market in recent years. Statistics indicate that this will continue to grow, as the production of this type of equipment does not seem to slow down any time soon. Only 15 to 20% of e-waste is recycled worldwide and experts stress that global e-waste production has increased more than 30% in less than a decade. According to the United Nations, 44.5 million tons of WEEE were produced worldwide in 2016. In 2025, the world population is expected to generate 53.9 million tons of e-waste per year if the current

growth in the order of 3% per year is maintained (Economic Journal, 2019). In Annex D, you can observe the process and numbers of e-waste in the previous year and forecasts for the next decade.

Worten is an electronics retail company that has been operating for over 20 years. The brand is proud of its continued green efforts in becoming a more sustainable company. For this, Worten integrates a strong environmental program which very much based on the issue of e-waste management. Recycling e-waste is very important to Worten because they know that even today, bad practices persist regarding the correct management of this equipment and want to do something about it. The company has been progressively improving its waste management system and other green activities on the social and environmental responsibility spectrum, which has led to good results in terms of environmental performance. Worten invests in a continuous improvement of its green policy and marketing plan and hopes to overcome its sustainable goals and define new objectives in this direction. However, it does not have data towards the problem object of this study, the effect of its GM on their client, that is indented to answer at end of the investigation.

2.3. Research Design

In terms of research design, it was decided to carry out a mixed study to provide a more extensive panorama and so, analyse and accomplish the defined objectives and reach trustworthy conclusions. First, the investigation follows an internal descriptive approach, about the main source of data, that was gathered through a questionnaire (quantitative method). This collection method is marked by the prior formulation of specific objectives through a structured design.

Moreover, the research design adopted for the qualitative method is direct and exploratory once it will be applied a semi-structured interview as the collection method and, intents to discover ideas and insights in a flexible and versatile way.

2.4. Data Collection

In what concerns the research approach for data collection within the present project, it was taken into consideration the validity and reliability of the chosen methods. For a more complete overview, two approaches were selected to collect data from a variety of sources that could provide the investigation relevant inputs: quantitative and qualitative. The findings obtained in the literature research contributed to select the most suitable and accurate methods to use on the project.

2.4.1. Qualitative Method

In what concerns the qualitative research approach it was determined that the method to adopt would be a semi-structured interview online. *“In the qualitative interview, knowledge is created through the social interaction between the interviewer and the interviewee in the particular interview setting”* (Kvale & Brinkmann, 2014; Bergvall, 2018: 33). This collection method corresponds to the first stage of the

applied methodology. The interview was conducted online instead of being face-to-face due to the pandemic context we are living in today. It was not only considered safer but more practical for both parties. It is important to mention that the chosen method is a result of what was found most suitable for this case in the literature (see Annex E) and the objectives defined at the beginning of the investigation. The communication tool used for the interview was Microsoft Teams and was recorded under the employee's authorization.

The purpose of the interview performed on the corporate level was mainly to get insights on how the company's sustainability strategy is managed and acquire a better and complete holistic knowledge of this matter. For this, it was developed an interview guide with a clear topical focus and well-developed questions to achieve a complete understanding of the topic at hand (Annex F). This allowed the interview to be conducted with focus but also with some flexibility with relevant close and open-ended questions that allowed the interviewees to add relevant information that goes beyond the scope of the question asked, providing many relevant inputs.

The guide was structured to cover several items according to what was found more appropriate in the green marketing literature and to gather information to later produce an accurate internal and external analysis. Because of this, the script may seem extensive at first glance, but it makes sense given the objectives. Also, the interview met the expected time and took less than one and a half hours. This is also justified by the fact that a single interview with the company was carried out to fulfill a significant lack of data on the subject under study. Thus, it was necessary to deeply explore it to make sure that the research was not compromised and had all the necessary information for an accurate analysis.

The interview was conducted through a video call to two female workers of the company under study, one from the environmental department and another from the marketing department. Diana Pereira is responsible for the environment and sustainability area of Worten and has been part of this team for about 3 years, although she has been working in the SONAE group for a lot longer. She covers the whole area of environmental certification of the stores, recycling, among others. Alexandra Balão is responsible for institutional communication at Worten (Marketing Specialist) and has been at Worten for 14 years. Currently, she belongs to the marketing and communication direction of Worten and her functions cover public relations, internal communication, and social responsibility.

Additionally, document analysis was used as a source of secondary information to complement other data collection techniques. It helped with the contextualization and understanding of the background of the company. The data collected from this method was gathered online and through other internal and closed-access documents.

2.4.2. Quantitative Method

The chosen data collection method has a history in consumer research (Babin, Hardesty, & Suter, 2003; Park, Shin, & Ju, 2015; West- john, Singh, & Magnusson, 2012; Bailey, 2018). The questionnaire was

found the most frequent used method towards green retailing literature, as you observe on the theoretical table (see Annex E).

The method was chosen not only because of these reasons but also because it is the easiest way to collect relevant information in terms of quantity and quality. Initially, the questionnaire was supposed to be applied face-to-face by two people outside the store for one week, but again due to the existing pandemic context, it was decided to only apply it online. For this, it was used the digital platform Google Forms to facilitate a quick response and so, the collection, manipulation, and treatment of data.

2.4.2.1. Sample

The population of this study corresponds to Portuguese residents over 18 years old and the sample corresponds to Worten customers. The clients were randomly chosen (Simple Random Sampling Technique) through an online survey shared in multiple digital channels and platforms. Regarding the type of sampling, it was picked a convenience sampling, which uses a sample of the total elements of the population that are more available.

The survey was shared through as many different age groups as possible by social media and users that reposted and resent to as many people as possible. This survey was open to answering between September 1, 2018, and October 8, 2020. The main goal was to accomplish the research objectives and to infer some conclusions by the analysis of the sample, which was of 327 respondents from which 322 responses were considered valid, meaning only Worten clients were considered since it's the target under study.

2.4.2.2. Pre-test

Before sending the survey, a pre-test was conducted previously to the official release of the questionnaire and sent to 15 individuals from different age groups. The pre-test was directed for two main reasons: authenticate the validity of the questionnaire and evaluating its acceptability while understanding the respondent's reaction and willingness to answer it. This way, it could be accessed if the questionnaire was being well-conducted, without lifting any doubts regarding the topic under study or having irrelevant or duplicate questions.

Hence, the questionnaire was filled online as the final one and according to the respondent's feedback, some changes were made. First, it was clear that the initial version of the questionnaire was too long, which made the respondent's willingness to answer decrease and could eventually lead to bias results. Due to that, some questions were cut off and others rewrote to be shorter, simple, and perceptible to the respondent. Some spelling, grammar, and punctuation errors were also detected and immediately corrected. Additionally, it was necessary to change scales, the order of one section, some questions, and lastly, a few improvements were made regarding the format and structure of the online form.

2.4.2.3. Scales and Measurement

A structured questionnaire was designed to gather the data required for this research. Throughout the questionnaire, several filter questions were applied that limited the number of answers in subsequent questions. A balance was sought when creating the questionnaire as questions were formulated both in the affirmative and the negative, dividing to avoid biases to the study. It was also tried to diversify the questions and use different types of questions and scales to captivate the respondent and make the questionnaire less massaging and boring. Closed-ended questions were chosen to be the only type of questions throughout the questionnaire to make it easier to fill out: multiple choice, checkboxes, linear scales, and check grids. For most questions, respondents were asked to read several statements and specify on a seven-point Likert scale whether they agreed or disagreed with each one. Some of the items were adapted from previous studies.

2.4.2.4. Questionnaire Structure

The questionnaire was divided into six parts (Annex G). Part A sought to understand what kind of consumer, green or not, was the respondent. Next, Part B, aimed to perceive the influencing factors and barriers to the respondent's green purchase. Part C sought to have the perception of the response about the brand. This part was subdivided into two sub-sections to understand the Worten consumer's opinion and measure their attitudes towards Worten as a green brand and Worten's green products.

Part D intended to find the consumer's green brand knowledge and participation among Worten's Environmental Program (measuring the effectiveness of Worten environmental initiatives). Ending with a section to determine the customer's most used and preferred communication channels.

In part E, after giving a brief explanation about the three main Worten's green marketing campaigns through simplistic visuals, it was possible to comprehend the respondent's opinion about them and Worten as a green brand. In the last section of part E, it is tried to measure the effectiveness of Worten's green marketing and what was most important in this scope as well as what they would like to see more or better in this field. Finally, in Part F, a few questions were asked about demographic data.

2.5. Data Treatment Approach

In the first stage of this methodology, after the interview was carried out, it was thought which instrument was best to treat the data taken from it. After studying and considered various methods to perform a qualitative analysis of the interview, it was decided to proceed with a content analysis manually since it's not only more practical for this case, but also because it is the most used and suitable method of analysis for a single semi-structured interview of long duration.

“A content analysis is a research technique for the objective, systematic, and quantitative description of the manifest content of communication” (Berelson 1952: 18; Mayring, 2014).

Therefore, a content analysis was performed to further understand the document analysis and interviews' content. Because of the sizeable diversity of information generated by interviews, this

content analysis was rigorous and carried out very carefully to prevent subjectivity and misinterpretation.

As for the surveys' results treatment, the Google Forms tool allowed to compile the received data in Excel files which were treated using of descriptive statistics. From it, graphics were created using Microsoft Word. which have enabled the analysis to become more visually appealing and so, easier to observe, comprehend, and draw conclusions from.

Chapter 3

Results' Analysis and Discussion

This project focuses on studying the influence of Worten's green marketing on its customer. Although the company places great emphasis on social and environmental responsibility and consequently on its GM to promote its environmental program, it is unaware of how these green efforts reach and affect its target. For example, how green are their clients; how aware are they of Worten's green efforts; where do they get this information from; and how their GM influences their behavior, purchase intention, consumption decisions, or willingness to pay more.

Worten has no data around this matter, either qualitative or quantitative, so it makes sense to study its customer's profile and the effect of Worten's green communication on them. Why? To better direct and orient its environmental program, according to what the consumer seeks, values, as well as which channels and GM strategies are most effective, never neglecting the brand's core sustainable objectives. In this sense, it is intended to contribute with news and insights for the brand to manage and improve its business under this scope, by providing a clear overview of its client from a green perspective.

3.1. External Analysis

After detailed documentary analysis and review of other secondary data obtained, it was possible to perform an external macro and microanalysis. First, a PESTEL analysis was used to frame the macro-environmental factors, and then an microanalysis was conducted.

3.1.1. Macro-analysis

3.1.1.1. Political

Nowadays, Portugal's political scene is likely to change. In the absence of steady stability of government in replacement for volatility, businesses deal with a high degree of uncertainty, especially due to the context of political unrest caused by the pandemic, presidential election campaigns in January 2021, and cross-party disagreements over the next year's national budget.

Health, environmental and data protection, policies have been very much on the political agenda and highly discussed in the parliament. This is due to many reasons. First, the urgency to fight the Covid-19 virus by prioritizing the health of the Portuguese and minimize the risk of blocking the economy and increasing the levels of unemployment. Secondly, due to the pressure and media attention towards environmental protection. Finally, because of the speed of growth and dissemination of online information and its lack of regulation since it is an unknown and unstable territory.

3.1.1.2. Economical

After achieving its strongest growth of the century in 2017, the Portuguese economy kept expanding and is estimated to have grown by 2.2% of GDP in 2019, from 2.6% the previous year (IMF). The growth was mainly driven by strong domestic demand, which should however ease in the upcoming years due to a reduction in job creation (partly offset by the expected increase in wages).

According to the updated IMF forecasts from 14th April 2020, due to the outbreak of the COVID-19, GDP growth is expected to fall to -8% in 2020 and pick up to 5% in 2021, subject to the post-pandemic global economic recovery. The consequences are already being felt, the unemployment rate increased by 45% in the last three months. The Government approved a set of economic and social support measures as a recovery plan against the effects of COVID-19 and defined as priorities: protect employment; protect household income; and avoid business destruction.

3.1.1.3. Social demographic

The Portuguese population has grown over the last year and has now around 10 million people whom 53% are women. The birth rate in Portugal has reached its highest level in the last four years. In the first half of the year, more babies were born than in the same period last year (42 thousand babies). However, Portuguese society is still aging, for every 100 young people there are 163.2 elderly people.

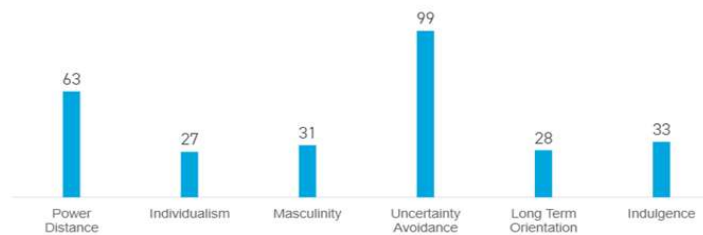


Figure 3.1: Hofstede Dimensions of the Portuguese Culture

Source: Hofstede Insights (no date)

Concerning culture, Uncertainty Avoidance is by far, the most significant Hofstede dimension to describe the Portuguese population. With a score of 99, Portugal has a very high preference for avoiding uncertainty. This means the Portuguese tend to maintain rigid codes of belief and behavior; are intolerant of unorthodox conduct and ideas; have an emotional need for rules; have an inner urge to be busy and work hard; innovation may be resisted; and, security is a top priority (Figure 3.1). According to a study by the Observatory of the Portuguese Society on the Portuguese Society Post-Pandemic Consumption (May 2020), consumers show more negative than positive emotions felt during the pandemic, although they are highly motivated to return to the consumption of products and services (namely market/hygiene). There also seems to be a widespread interest in organic and sustainable products associated with a healthier lifestyle. Portuguese are even more focused on out-of-home consumption

that they have been deprived of during the confinement period (e.g. hairdressing, gym, and restaurants); however, most admit having many or moderate difficulties living with the income they receive.

3.1.1.4. Technological

The year 2019 saw record investment in the technology sector in Portugal, largely due to the Portuguese company, Out Systems, and the 340-million-euro investment it received. Despite this, in the same year, the country fell from 6th to 19th (out of 20) in investment in startups, but has been still growing as a "deep tech" center (companies with great disruptive and innovation potential). There were 89 million euros of funding in 2019, more than in the last five years together. The findings are from the Atomic State of European Technology report 2019, which highlighted 2019 as the year in which technology occupied a prominent place in the European economy.

Last year, there were an estimated 7961 programmers and 4299 technology development researchers per million inhabitants in Portugal. The pandemic has further boosted and accelerated technological innovation, evolution, and consumption. People are more and more dependent on technology from a small to a large scale and this has been gaining significance and dependence from different parties over the years, which is certainly a trend that will remain.

Moreover, technology has enabled advances in sustainability by creating a symbiotic relationship that allows for the creation of innovative pro-environmental solutions. Waste management and recycling are one example of this. There are already machines that offer coupons among other benefits in exchange for plastic bottles so these can be directly converted in raw materials and thereby into new products.

3.1.1.5. Environmental

Portugal has repeatedly failed to meet EU targets in recent years, making too much noise, wasting too much water, not treating waste, and not protecting its biodiversity as it should. Looking at some indicators that allow us to characterize the environmental context of the country: each Portuguese emits on average 6.5 tons of carbon dioxide equivalent (CO₂) per year; there are 456 endangered species in Portugal, among animals and plants; and, more waste is thrown into the sea than tons of fish removed.

As regards e-waste, Portugal has also missed the EU's 65% target. The e-waste recycled in Portugal rate has been decreasing over time: 35% (2018), 30% (2019), and 30.5% (2020) that corresponds to 173,000 tons. Failure to recycle and treat e-waste contributes to further climate change and temperature increases stated the Zero association, which added this is due to a collapsing collection system. However, there has been an increasing effort and investment by the government and companies to become greener and more sustainable, through the development of funds, incentives, and programs. For instance, Lisbon was the European green capital of 2020 and the water quality on beaches improved this year compared to 2019. Moreover, the government just approved a recovery and resilience plan for forest landscape in 270 million euros and an environmental fund program providing 4.5 million euros to improve energy efficiency in buildings.

3.2.1.6. Legal

Decree-law 67/2014 (07/05), provides for disparities between the legislative or administrative provisions adopted by the Member States on the management of electrical and electronic equipment waste (WEEE), which creates unnecessary financial burdens on economic operators and undermines the effectiveness of recycling policies. It, therefore, provides for separate collection as a precondition for ensuring specific treatment and recycling of e-waste. Without prejudice to the importance of the contribution of distributors to the success of e-waste collection, private users should also actively contribute to the success of e-waste collection by having the appropriate information and facilities to return e-waste free of charge, following the principles of territorial proximity and easy access.

On other hand, there is also a set of rules regulating retail trade, known as ERIPs, which consider practices that are not in conformity with competition law. These practices may include illicit agreements that limit the strategy of other players, the abuse of a dominant position in each market, or the misuse of the economic dependence of one undertaking on another.

3.1.2. Micro-analysis

3.1.2.1. Industry Analysis: Retail

Retail is undergoing structural changes that affect its entire value chain, from how it relates to suppliers and partners, to logistics and distribution processes, to sales and service to the consumer. This sector has been able to reinvent itself over time, adapting to the specificities of the markets in which it operates through strategies of internationalization and business expansion, and responding in an increasingly rapid way to the constant changes in consumption profiles.

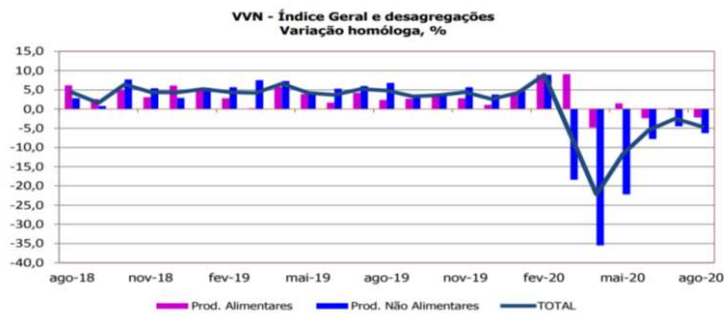


Figure 3.2: General Index and Retail Disaggregation's in Portugal, Homolog Variation, %

Source: INE

According to INE (National Statistics Institute), in Portugal, this year Retail Sales fell by 4.5%. The Retail Trade Turnover Index showed a year-on-year reduction of 4.5% in August (-2.5% in July). The evolution of the aggregate index had more impact on the behavior of Non-Food Products, which

registered a reduction of 6.3% (-4.5% in July, Figure 3.2). This reduction is justified by the economic impact caused by the pandemic, on unemployment, and consequent fall in purchasing power.

The growth of online commerce was another prominent consequence of the effects of the pandemic in Portugal, which forced retailers to make adjustments to their business, yet, there is a clear concern in keeping a balance between physical and digital spaces. The next decade will be marked by the continuous digitalization of retail. Increasing sustainability is a major challenge for this sector and a big trend towards 2020. Progressively, retailers are following a circular economic logic, aiming at reducing their ecological footprint.

3.1.2.2. Market Analysis: Retail Consumer Electronics

Consumer electronics refers to any device containing an electronic circuit board that is intended for everyday use by individuals. This encompasses a massive category of electronics that includes televisions, cameras, digital cameras, PDAs, calculators, VCRs, DVDs, clocks, audio devices, headphones, tablets, smartphones, and many other home products and appliances. The eCommerce market segment includes the online sale of this equipment.

According to a study conducted in 2019 by GrupoMarkttest regarding the Markttest Reputation Index (MRI) among Consumer Electronics Stores, this category was ranked 8th out of the 25 categories evaluated in 2019, maintaining its overall positioning compared to 2018, with an average reputation index of 65.97 (in a scale 0 to 100) as seen in Annex H. Additionally, in 2019 consumer electronics goods registered a drop of 4.7% in sales according to the analysis made by the GfK consultancy, in which photography contrasts by its decrease (-13.1%) while the category of large household appliances emerges, marking the highest growth in sales (5.9%).

Following the global trend of integrating sustainability into industries, in particular retail, consumer electronics is no exception. Joana Pina Pereira, eCommerce Director at Worten Portugal, underlined that *"this time, sustainability emerges not as a fashion but as an irrefutable need for survival in an era of global giants in retail technology. It will be imperative to combine (and sometimes replace) the ambition for growth with 'karma-friendly' profitability models that enable companies to prosper as local and global champions"*.

3.1.2.3. Competition Analysis

In 2019, Worten was the leading consumer electronics retail company in Portugal and operated brands such as iServices, Worten, Worten Mobile. Department stores and companies that sold more than consumer electronics were excluded from this ranking. Worten generated a turnover of 832 million euros (Figure 3.3).

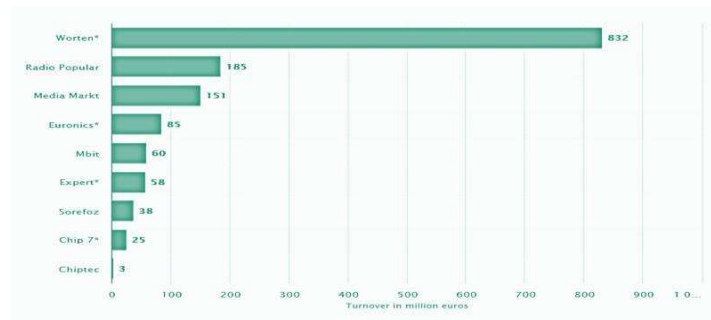


Figure 3.3: Leading Consumer Electronics Retail Companies Ranked by Turnover in Portugal 2019

Source: STATISTA (Aug 12, 2020)

As products and services become increasingly undifferentiated, reputation, image, and brand trust become a competitive and differentiating factor on the market, and so it relevant to analyze all these towards a brand's competition. To provide a clear consumer perspective, a study was conducted by the Marketest Group among marketest reputation within the Consumer Electronics Stores category, where Worten is compared to its main competitors. The MRI (Marktest Reputation Index) positions the brands in a ranking allowing the comparison and positioning of the brand vis-à-vis with other competing brands. In this sense, data from this report provided by Worten was analyzed and summed up (Annex H).

In 2019, FNAC resumes the leadership of the Consumer Electronics Stores (in 2018 WORTEN led this category), with a value of MRI of 72.47 and is ranked 25th in the global MRI 2019 ranking (down 1 place from 2018). In the second place of the category, WORTEN presents a value of MRI of 71.99 and positions itself in 27th place in the MRI 2019 ranking (down 5 places from 2018). The other brands in the category have slightly lower MRI indices than the previous year, but MEDIA MARKT, RÁDIO POPULAR, and BOX still improved their positions in the MRI ranking (Annex H).

Familiarity continues to be the best-rated attribute for almost all the brands under analysis, except for MEDIA MARKT and BOX where Image is the best-rated attribute. The FNAC leads with the best ratings on the Trust, Image, and WOM (Word-of-mouth) attributes, while the Admiration and Familiarity attributes are led by WORTEN. In all the attributes under analysis, the BOX is the insignia that, as in previous years, has the lowest scores.

3.1.2.4. Consumer Analysis

The Portuguese are increasingly evolving and connected, both in the social and technological context, which have directly affected their consumption habits. More and more thoughtful and demanding, the new consumer today has a greater concern about the management of the family budget, health, origin, and sustainability in the choice of consumption of certain products. These issues influence and are now more determinant in customers' purchase intentions and decisions.

Changing habits should be seen by companies and brands as an opportunity, not as a threat to their current model. Businesses should put their efforts into understanding and integrating new rising trends

to take greater advantage of new segments. Five main trends have been identified that are currently changing the consumption behavior of Portuguese citizens.

First, *smart shopping*, which concerns less impulsive and better thought out consumption. Secondly, *price sensitivity, rational choice, and planning* are now part of the new practices adopted by the Portuguese public. *Health and well-being* are also a major trend since more than half of the Portuguese ensure that concern for their health and well-being is reflected in their choices and have adopted healthier routines that lead to a better quality of life. *Confidence* continues to be a primary trend, attention to the environmental and social impact of products consumed, and the conduct of the companies that produce and distribute them, have been increasingly significant to the Portuguese consumer.

On other hand, *convenience* also has an impact on the new consumer who seeks shopping and consumption solutions that fit their habits and routine. The fast pace of life has significantly increased the demand for more practical products and services, such as e-commerce and take-away. Finally, *experience* increasingly influences the consumer. The elements of interaction and experience conducted throughout the purchasing process have become more relevant to consumers. Communication channels and moments of interaction with the brand are among the main elements of appreciation.

3.2. Internal Analysis

3.2.1. Company Characterization

Worten is the market leader chain in the areas of electronics appliances of consumption and entertainment in Portugal. The brand is guided by values of dynamism, innovation, and strong interaction and proximity with customers. The customers are the brand's business focus and the company intends to capture and retain their loyalty after entering its stores. "*The key to success is to have the client as a pillar of the business and, from him, his needs and expectations, to present differentiating value proposals that make his life easier and have a positive influence on his day-to-day life.*" (Worten's Iberian Marketing Director, 2017)

The brand presents itself as having the best technology in Portugal. For over 20 years, Worten has democratized access to technology to Portuguese, providing a wide range of products, entertainment areas, and experimental auditoriums, the brand offers an innovative technological selection. It has more than 230 shops in Portugal and Spain, central offices, and distribution centers in both countries. In Portugal, their stores are spread across the country, from north to south, and present two distinct typologies: the superstores, located in the commercial galleries of Continente hypermarkets, and the megastores, located in the main shopping centers of the country.

Precisely to meet their needs and expectations, Worten diversified its portfolio of own brands (Becken, Mitsai, Kunft, Goodis, KUBO, Nplay e Matizcore) that are quality certified as well as its

approach with the website www.worten.pt, an online shop created in 2001, which makes thousands of articles available to the customer at a click's distance.

Furthermore, Worten provides a wide qualified range of services, which can be, at first, specialist advice from a salesperson or, later, guaranteed after-sales service in the Worten Resolve space. *“Worten is recognized for its after-sales service. Worten Resolve is today one of our greatest assets, as it provides our customers with qualified and qualified technical assistance that is unique in Portugal”* (Worten's Iberian Marketing Director, 2017).

With over 4000 employees in multidisciplinary teams, each of them is responsible, in their area of expertise, for launching ideas, challenging paradigms, identifying areas of improvement, and implementing new and good practices. *“Making it happen”* is a SONAE Group premise that Worten continuously insists on complying with, daily.

As regards the communication channels used by Worten, the company seems to divide them between above and through the line. In terms of the above line communication, Worten continues to use TV a lot for the mass market which is what it considers continuing to make some sense in terms of campaigns for green products and services. It also uses radio, billboards, point of sale, and leaflets. In short, Worten tries to use a wide variety of channels, but the most relevant and effective ones are TV (although sometimes there is no sufficient budget) and digital channels, via Worten's networks and influencers. This digital corresponds to Worten's communication through the line.

As regards the company's numbers and financial indicators analysis, Worten has proved great performance and success in the last years. According to the 2016 Sonae's Financial report, throughout 2016 - a very positive year for Worten - the brand increased its turnover by 2.1% to 910 million euros as we can see in figure 3.4.

Million euros	2015	2016	y.o.y.	4Q15	4Q16	y.o.y.
Turnover ⁽¹⁾	1,294	1,438	11.1%	377	430	13.9%
Worten	891	910	2.1%	266	276	4.0%
Sports and Fashion ⁽²⁾	403	527	30.9%	112	154	37.6%
LfL (%)	-1.1%	2.5%	-	-0.1%	3.8%	-
Worten	0.0%	3.3%	-	1.5%	4.0%	-
Sports and Fashion	-2.9%	1.0%	-	-3.2%	3.3%	-
Underlying EBITDA	5	35	-	14	27	89.1%
Worten	18	26	43.8%	16	17	9.5%
Sports and Fashion	-13	8	-	-2	10	-
Underlying EBITDA margin (%)	0.4%	2.4%	2.0 p.p.	3.8%	6.3%	2.5 p.p.
Worten	2.0%	2.9%	0.8 p.p.	6.0%	6.3%	0.3 p.p.
Sports and Fashion	-3.2%	1.6%	4.8 p.p.	-1.4%	6.3%	7.7 p.p.

Figure 3.4: Sonae's SR Results, Performance per Business

Source: Sonae's Financial Report of 2016

In 2017 Sonae's retail e-commerce sales exceeded the 100-million-euro mark and Worten was the insignia that most contributed to this value making its best year until this date by reaching 1 billion euros, a target that was only set for 2019 (Publico, 2018). In 2018, Worten stood out again in a demanding market context, registering the highest increase of the decade, growing 7.6% in turnover, corresponding to 1.1 billion euros (Publico, 2019).

According to last Sonae’s sustainability report from the previous year, Worten closed 2019 very positively as seen in figure 3.5. In strategic terms, the company continued to expand its digital and services offering. Worten ended 2019 with a turnover of 1.1 billion euros and a positive LfL of 0.2%, having been able to reinforce its online sales by more than 30%, solidly sustaining the progress of its digital transformation strategy, with the marketplace having an essential contribution.

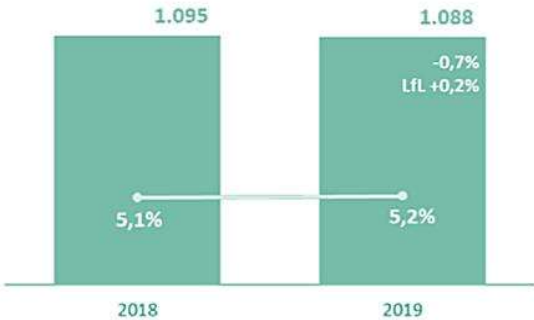


Figure 3.5: Business volume and EBITDA underlying margin (€M)

Source: Sonae's Sustainability Report of 2019

Finally, as a retailer selling electrical and electronic products, Worten continued to promote and facilitate the recycling of all equipment at the end of its life cycle, minimizing its environmental impact. The annual result, in terms of waste collection and recycling, translated into a donation of 75,000€ in new equipment to about 100 social institutions (Sonae's Sustainability Report of 2019).

Despite the global economic consequences caused by the COVID-19 pandemic, Worten has accelerated its sales this year. *"I would like to highlight the outstanding performances of Sonae MC and Worten, which, facing such challenging context, were able to strengthen its leadership positions in the Portuguese market,"* said the CEO of Sonae (Sapo, 2020). In electronics retail, Worten’s performance in Portugal and Spain were different: despite the closures in Spain and as a result of the online increase, turnover grew 6% reaching 482 million euros in the first half of the year (Publico, 2020).

3.2.2. Management for sustainability

"Our focus on sustainability is an integral part of who we are, and we have no doubt that our mission is to create and share economic and social value. This ambition has guided us on a path filled with hard-won successes, always anchored in solid economic performance while making a difference in building a better society, including respect and care for nature".

Paulo Azevedo in Message from the Chairman of the Board of Directors
 Sonae’s Management Report 2019

Worten's involvement with the theme of sustainability in its business is part of the Sonae group, which integrates this aspect within its values and as a strategic axis. Over the years, Worten has been focusing on sustainability. Worten shareholders are increasingly concerned to position the brand as a

sustainable company, which creates a major competitive advantage in the market. This happens naturally as the company continuously invests in this sense according to their client's needs. In Worten's perspective, it should be expected that stakeholders want to associate themselves with a company that defends environmental and social protection integrating sustainability as a main pillar since it is a trend that will certainly remain and grow.

For Worten, social responsibility is strongly linked to the environment in terms of brand and environmental program. The company invests in associating social responsibility in several green initiatives because it believes it facilitates and contributes to strengthening Worten's connection to its target (Portuguese consumers), reinforcing the brand's notoriety and proximity.

The collection and recycling of WEEE are other brand's priority axes, in terms of sustainability, or this issue was not directly related to the business area in which it operates. *"We commercialize technology and household appliances, so it is our duty to receive, in our more than 190 stores in Portugal, the equipment that our customers no longer use or that are broken,"* says Inês Drummond Borges, Worten Marketing Director (2019). The company takes on increased responsibility in terms of e-waste, which must be correctly recycled and treated. For more than 10 years there has been a program of collection and recycling of these products, often associated with a social responsibility component. For Filipa Moita, responsible for communication at ERP Portugal, *"campaigns that encourage the delivery of e-waste are always positive because they stimulate consumer green behavior and mobilize people to take action, ensuring the equipment's recovery and recycling."*

Worten's own brands have been developed from a sustainability perspective, looking at this issue from various perspectives. Firstly, searching for a value for money, i.e. what the company suggests as a value proposition to the customer. There must be a cost-benefit balance of a product to satisfy and meet the customer's needs and expectations. On the other hand, in terms of product development, materials used, and packaging, there has also been an increasing effort to integrate sustainability more and more into this. For instance, increasing the number of recycled materials and reduce single-use materials, so that the company can contribute to the circular economy. Worten as many other enterprises guides its line of action in the scope of sustainability aligning its own goals with the Sustainable Development Goals (SDGs) of the Agenda 2030 proposed by the United Nations in 2015 (figure 3.6).



Figure 3.6: Sustainable Development Goals (SDGs) Followed by Worten

Source: Sonae's Sustainability Report of 2019

According to the Sonae Group's sustainability report 2019, there have been significant improvements concerning the goals set and results achieved in the previous year. This report is divided into two vertices linked to environmental and social responsibility respectively - Better planet and Better community - which in turn deal with different categories and integrate different sub-categories, where each insignia contributes in different ways. Regarding Worten's role and action towards this subject, the company has focused and developed almost all these categories. For a more detailed analysis of its green activities, efforts, and consequent results, a table was developed to facilitate this analysis (see Annex I).

3.2.3. Green Marketing Program

"Marketing at Worten has as a challenge to capitalize on what are the strengths of the brand built over the first 20 years of the company, and to project the next 20, knowing that to maintain leadership, it is necessary to seek to anticipate trends and promote change to realize in concrete experiences those that are the expectations of a consumer increasingly demanding."

Inês Drummond Borges, Worten's Iberian Marketing Director at Worten (2017)
when asked in an interview her vision about Worten's marketing.

The company defined GM in the interview as *"The process that brands use to promote a product or service based on its benefits to the environment. This product or service can be eco-friendly itself or be produced in an environmentally friendly way."* Worten develops a very coherent marketing plan that relaunches every year with improvements and a new image, particularly in terms of environmental program. *"At Worten, we have a policy of continuous improvement, which has contributed greatly to improving our operations and reducing costs, and has had a positive impact on results,"* says Inês Drummond Borges, Worten Marketing Director (2019). Additionally, Worten's head of communication highlighted that coherence is primary for GM and that the brand only launches green campaigns and projects that make sense to both Worten and the client. Besides, she also mentions the importance of environmental messages and tells these work much better when associated with social responsibility, in terms of communication and client's adhesion. Social responsibility plays an important role within this program and is very much linked to environmental responsibility as said before.

The company recognizes the impact of GM in this sense and Alexandra Balão, Worten Marketing Specialist adds that *"The better the message is wrapped up, in the most appealing way possible, we as a company, notice a greater difference in terms of return and clients' adhesion."* In fact, for Worten, GM is a crucial tool for the development and implementation of this program. *"For green marketing to work, it has to be first very well thought out and, again, coherent, as well as must start mostly from the insights of people and consumers. However, it can never fail to be part of the company's core and DNA"* advises, Alexandra Balão.

Promotions are part of the mix of tools that Worten has and uses when developing and implementing a GM strategy. The company considers that it helps customers to save and consolidate their loyalty to

the brand. These campaigns and other green initiatives are implemented with specific objectives and often run parallel to a wide range of efficiency and process optimization measures. For a better and complete understanding of Worten's GM program, it was developed a table explaining in detail the brand's main green campaigns, measures, and initiatives as well as its partners and results respectively (see Annex J).

In terms of GM strategy followed by Worten, it seems to be *Sell Functional Value* once increased efficiency and cost-effectiveness are important drivers of Worten's green product demand and green place (Dean & Pacheco, 2014). Most of the company's ecologic products enhance energy efficiency. Besides their environmental certifications promote energy savings and the company puts its efforts into reducing plastics on packaging and shipping of all products for example. According to Dean & Pacheco (2014), cost-effectiveness in green products may bridge different stages in the product's life cycle. Reducing energy use, materials consumption, or waste generation when producing an item can cut its initial cost to the buyer. The same logic applies to distribution costs.

The author also states that ownership and disposal costs might not be so obvious, but also represent sources of opportunity for marketing green products because when buying a product, the client is also paying ownership costs to use the product throughout its life. Disposal costs are incurred at the end of a product's useful life and are one more important driver of green product purchases. Products with hazardous wastes usually have high disposal costs once they are obligated to follow strict regulatory requirements for handling and disposal. For customers, disposing of hazardous wastes such as WEEE may involve an extra trip to a dedicated facility and include disposal charges.

Worten uses these drivers as part of its GM strategy to lower the final price of its green products. The company invests in increased efficiency and cost-effectiveness through environmental certifications and packaging for instance. Today, the company has around 40% of its sales area certified and there is also an environmentally certified warehouse. For the company, reduce and use their resources efficiently has always a concern and has generated profit in the long run. Over the last decade, Worten's stores have been collecting good practices with a significant impact on their environmental performance. These were systematically compiled in a manual adopted by every store. The manual was derived by an internal movement where successfully green practices from certified stores are being replicated on the others. For example, although more and more electrical equipment is connected in the store to improve customer experience, Worten's lighting is powered exclusively by LED as suggested by Thomson (2007), enabling to reduce energy consumption which is Worten's highest expense in its retail stores.

The brand also takes responsibility and offers a free service for the collection of WEEE, such as household appliances, and routes them correctly for recycling, to give them a second life, and so reducing disposal costs. Additionally, it associates this process to two other campaigns that not only contribute to environmental responsibility but also to social responsibility.

On other hand, according to the Green Marketing Strategies by Ginsberg and Bloom (Moravcikova *et al.*, 2017), it seems Worten integrates a mix between a *Lean and Shaded green strategy*. This can be

explained by the fact that, on one side, Worten seems to focus its main initiatives not only on environmental concern but also on social responsibility and highlights products with increased efficiency, giving them discounts as a competitive advantage based on low cost. On other hand, the company invests in environmentally sustainable processes in the long-term, such as environmental certification of stores, using for this a considerable amount of resources. Furthermore, the enterprise perceives GM as a chance to be an innovative technological retailer and meet customer needs creating a competitive advantage.

It is important to mention that, to select an effective green strategy and succeed in implementing it, is crucial to know the customer for whom you wish to communicate. Worten lacks information towards this subject, which corresponds to the problem it is tried to be solved at the end of the study.

Concerning results, it is not possible to quantitatively measure them in terms of sales, profit, and return on Worten's green efforts, since there are no studies on the impact of the brand's environmental program on its customer. Nevertheless, as can be seen in Annex I and J, Worten has achieved good results due to its strong green commitment through its program: Most of its shops are environmentally certified, which has saved the company the energy equivalent of what is produced by 500 families; Worten has increased sales of its green products during campaign periods; The brand has already planted more than 16,000 trees through its reforestation project; The plastic bags distributed in the shops are made of more than 80% retreated plastic; Worten has raised more than 58,000€ in the last months to minimize the negative effects of the pandemic and help various charities and has given a new life to some 700,000 pieces of equipment; Lastly, in the last decade the company added almost 1 million Euros (180,000 Euros in 2019 alone) to social causes through the Codigodá20 project. These are outstanding results of a company that truly cares about the planet and the community in which is inserted.

Finally, after the external and internal review, it was possible to understand Worten complies a range of *critical success factors (CSF)* aligned to its high-level goal and imperative for its business to meet. These are vital to Worten's success and are directly linked to its business strategy. The most relevant CFS's identified are: increase market share through current customers; be service-oriented when working with customers; and, achievement excellence through on-line process improvement.

As regards Worten's *competitive advantages (CA)*, geographical dispersion stands out for ensuring proximity to the customer. This is due to their numerous stores spread across the country, from large to local stores, that improve the company's communication allowing to keep its target closer. There are other CA's: the preference and confidence of the consumer towards the brand; the positioning of better prices and promotions; the multidisciplinary teams that also enhance the brand and its reputation; the variety of products, with emphasis on technological innovations; and, specialized and knowledgeable services, appropriated each client's profile.

From a sustainability spectrum, Worten appears to be the most developed company comparing to its competitors. In fact, for Worten managers, this green CA is based on their choice of environmental messages and the proximity that exists between the company and the client which is the brand's focus.

Finally, a SWOT analysis was proceeded to assist in the planning of the improvement proposal (see Annex K).

3.3. Interview' Results

Content analysis allows organizing ideas presented in the interviews in a way that makes their interpretation and contextualization feasible. Mayring (2014) suggests the use of this technique through the division of the material (communication content) into units that are worked one after the other. From an analysis of common qualitative oriented text analysis techniques, the author states all can be reduced to three basic forms of interpreting of qualitative content that served as the basis for the treatment of this interview: Summary (text reduction), Explication, and Structuring.

After choosing the qualitative analysis method, the interview was then transcribed. The information was reviewed and reduced. For this, a table was developed and divided into four columns by category, sub-category, objective (registration units), and context units (Annex L). Thereafter, during the transcript's reading and analysis, five categories and fifteen sub-categories emerged in an inductive process with the purpose of reducing the interview material until only the essential one was left to analyze. All categories were defined paying attention to the investigation objectives, intentions presented in the interview script, and the issues addressed in its development (summarization). Following, the excerpts taken from the transcript were selected according to their relevance to the theme, investigation, and interview objectives (criteria).

The aim was to provide additional material to increase understanding, explaining, and interpreting of the transcript (explanation). Then the excerpts were systematically framed and organized by the defined categories depending on the nature of their content and the subject of the message to which it was related. The material was then cut throughout readings before, during, and after the schematization of the information in the analysis tool – table - with the aim of filter out certain aspects of the material and consolidating the categories (structuring).

During the extension of this study, these analyses may be confronted with bibliographic material that may give support findings and provide a clear link and understanding of Worten's panorama in the scope of GM. The content analysis allowed to complement the internal analysis in the extent of GM as well as to respond to some objectives of the investigation.

The Green Brand and Green Marketing category answers the project's objective 6. From the *Green Brand* category, it was possible to gather information about the functions of the interviewees and understand how sustainability is integrated into the company as a strategic

axis. It was also perceived that shareholders and stakeholders are concerned and focused on Worten keep making green efforts to become a more sustainable company since both interviewees see this as both a competitive advantage and a trend that will certainly remain. Thus, green marketing assumes an important role as it is used as a PR and positioning tool that positively drives the brand's credibility and notoriety.

The *Green Marketing* category allowed to get to know the brand's environmental program at a deeper level through an internal detailed vision of the company (Table 5). The company's perspective provided insights about how the consumer may react to each initiative and message, as well as to get practical examples of how these green initiatives are implemented and their respective results. It was also possible to develop a clearer and more complete view of how this environmental program is designed, communicated, and promoted.

The company's GM program is launched annually with improvements and a new image from what makes the most sense for both the company and the customer. For the interviewees, the main advantages of Worten's GM strategy are: the benefits in terms of the corporate image and reputation; the geographical reach of the company that allows it to be closer to its target; the coherence of its plan and smart choice of environmental and social messages; the strong partnerships; and cost optimization that allows Worten to gain profits and improve its environmental performance.

Analyzing the Green Consumer category, it was possible to answer the project's objectives 1 and 2. The interviewees pointed out as Worten's green consumer main features to be informed, demanding, well-intentioned, and thoughtful regarding their consumption decisions. Due to the price, low income, and purchasing power, which corresponds to his biggest barriers to green purchasing, he does not materialize his environmental concerns as much as he would like. In this context, he expresses more his green purchase intention and willingness to pay more when it means energy efficiency and economic savings for him, which confirms Schoor's (2013) findings about the Portuguese consumer.

Besides, Worten explains that social classes with greater purchasing power are more available to pay for green products. Price is followed by the customer's age group. The company agrees with Lee (2008) and finds younger generations much more willing to make financial efforts to buy a green product. One of the interviewee' even mentioned a study she recently read that found 90% of millennials are willing to pay more for this type of product. Nevertheless, in the last 2/3 years, Worten's customer has shown a greater predisposition to green consumption, trying to adopt a pro-environmental lifestyle whenever it is possible to realize his environmental concern and revealed to be very coherent and

conscious. Furthermore, Worten highlights that the customer's mindset makes their job easier since they are very receptive to green initiatives. In fact, green product sales increase when the brand associates these products with campaigns such as energy efficiency campaigns. On the other hand, as the main influencing factors for green purchasing, the interviewees mention: energy savings; appealing green communication and promotions; high purchasing power; younger age groups; the environmental concern and mindset of the consumer; and pro-environmental lifestyle.

Moreover, Worten customers are concerned both in terms of environmental and social responsibility, are receptive to these kinds of initiatives, and feel more motivated to join a campaign when both dimensions are associated.

The *Green Communication* category focuses on understanding which communication channels and messages are most effective in green marketing (objective 5). In terms of the above-the-line communication channels, Worten continues to use the TV for the mass market, as it continues to make sense for its green strongest campaigns, as well as uses radio, billboards, point of sale, and brochure. However, interviewees highlight the digital communication potential (through-the-line) that is increasingly gaining importance and coverage. In terms of digital, the company communicates through its website, its social networks (e.g. Facebook, Linked In, Instagram), and uses influencers that considers a powerful tool in terms of PR and brand awareness to attract customers.

As regards messages, the company is concerned to mark specific dates with the launch of green campaigns (such as the launch of exchange-efficient on Environment Day). It also seeks to strengthen the link with the Portuguese through messages with which they can most identify with and contribute directly, reinforcing its proximity to their target (e.g. reforestation of the areas most affected by fires). The strong link between environmental and social responsibility is also visible when examining Worten's green program, which the brand thinks helps to spread their message and increases its customer's adherence to these types of initiatives.

Finally, in response to objective 7, the *Green Future* of the brand is analyzed. To this end, the main challenges, and risks for the company in terms of green marketing were identified. The interviewees pointed out the dependence of other players in the value chain and on the world's evolution in the field of sustainability, that conditions Worten in achieving its objectives of optimizing their energy consumption and become a 100% sustainable company.

On the other hand, greenwashing is another great risk and challenge that requires a continuous effort from the company to remain coherent and avoid falling into this mistake. If one company falls into this it will damage the credibility of the others, and this is beyond the

brand’s control. In terms of the future, the interviewees believe, that the market is becoming greener and companies must follow this trend that will remain. The company's perspective is that soon this trend will reach a Boom and force companies to extend their green products portfolio and consequently lower the price of these products leading to the massification and easier access to green products and services.

3.4. Survey’ Results

All collected data from the questionnaires were carefully introduced in Excel using its tools to proceed with detailed analysis from the respondents’ answers. It was only be considered valid answers for those who meet all the mandatory requirements (n=322). After gathering, organizing, and thoughtfully filtered the whole extent of primary data, a results analysis was conducted. Furthermore, the information was treated statistically and graphically to make a descriptive analysis. Finally, all findings were reported and presented systematically so the study objectives can be properly tested and lead to the conclusions.

The first two questions in the questionnaire were used to filter and select the sample intended for the study, Worten customers. Of the 327 answers, only 322 were considered valid, i.e. 98.77% of the population was validated and continued to answer the questionnaire since they had already purchased Worten products. Question 3 made it possible to understand how often this customer usually shops at Worten, most of them only sometimes buy their products (n= 200;61.35%).

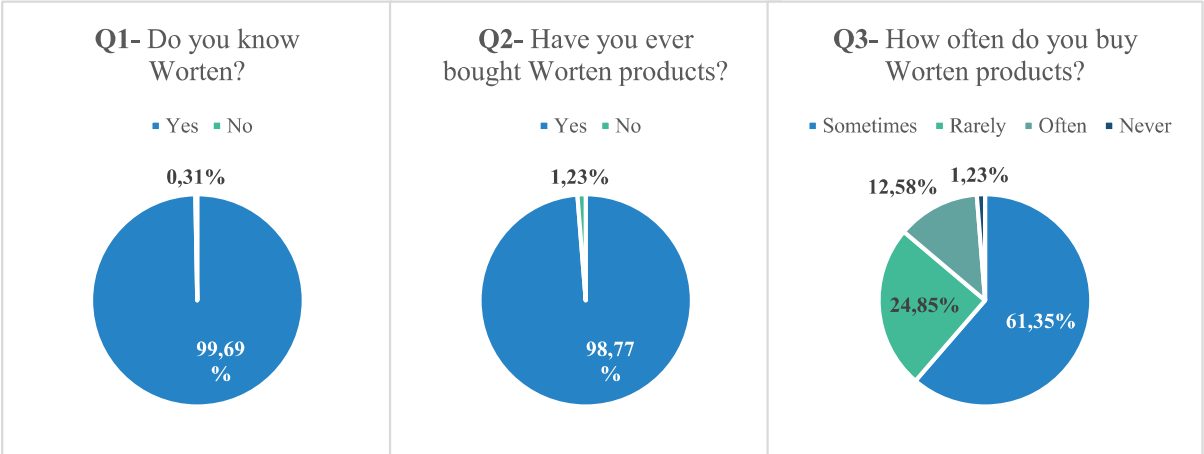


Figure 3.7: Filter Questions to Select the Survey’ Target

Through questions 4 and 5, it was possible to describe the Worten customer as a green consumer. Most respondents consider themselves neutral (n=123; 38.2%), i.e. they place themselves in the middle of the scale green consumers, although there is a clear contrast and most other respondents identify themselves much more as green consumers (n=154; 47.8%) than those who do not (n=3;13.9%).

Assessing some variables that allow describing their green behavior, to confirm whether this is true or not, some attitudes expressed themselves more significantly than others, most respondents if there is

an alternative, prefer products that cause less pollution (n=230; X=5.3); they recycle (n=227; X=2.8); and are careful when discarding electric or electronic equipment (n=198;X=4.9).

Furthermore, Worten customers have the habit of asking where the products they buy come from (n=168; X=3.5) and pay more attention to environmentally friendly advertising (n=180; X=4.6). However, they seem to be split between whether to stop buying a product because it does not comply with environmental rules, registering the most central agreement level of all variables (X=4.1).

To sum up, that the majority of Worten customers tend to perceive themselves as green consumers and, in fact, they have a greater willingness to adopt a green behavior and attitudes towards environmental concerns and consumerism.

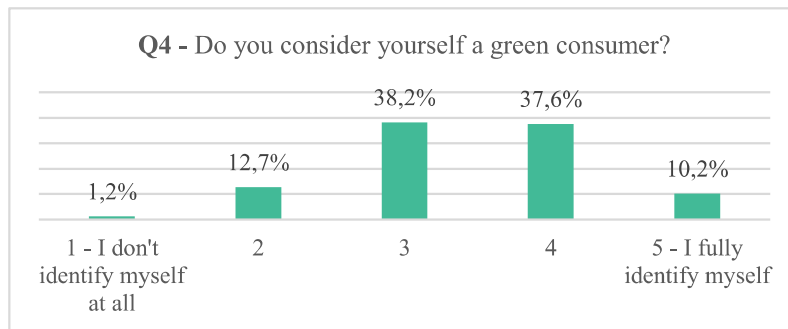


Figure 3.8: Worten's Customer' Perception towards being a Green Consumer

Table 3.1: Level of Agreement towards Green Behavior and Consumption Habits

	Disagree	Neutral	Agree	Average
I do not have in my routine sustainable habits like recycling at home and/or at work.	227	23	72	2,8
I have not in the habit of asking where the products I buy come from, how they are produced and what raw materials are involved in the production process.	168	56	98	3,5
I am careful to dispose of electrical, electronic, or consumable equipment that I no longer use, are broken or obsolete.	94	33	198	4,9
I pay more attention to environmentally friendly advertising.	102	40	180	4,6
If there is such an alternative, I prefer products that cause less pollution.	64	28	230	5,3
I do not stop buying a product because it does not comply with the ecological conditions/rules.	126	47	152	4,1

Questions 6 and 7 aimed to see which three influencing and blocking factors were most relevant to the purchase of green products from a Worten customer's perspective. The main motivating factors that encourage consumers to buy green products are: Savings (energy, economy, durability) (n=198; 61.5%);

Quality/effectiveness (n=184; 57.1%); and Environmental concern (n=167; 51.9%). The factors that seem to have less relevance are: Social influence (n=13; 4%) and Appealing design (n=17; 5.3%).

The biggest barriers identified in relation to green purchase intention for the respondents were: Price (n=264; 82%); Lack of green products with the specifications they wish for (n=232; 72%); and Availability/offer (n=223; 69.3%). The factor that seems to have the least impact as a blocker of green consumption is “*The environment is not a priority in my shopping*” (n=27; 8.4%), i.e. the environment seems to be a priority in Worten customer's consumption decisions.

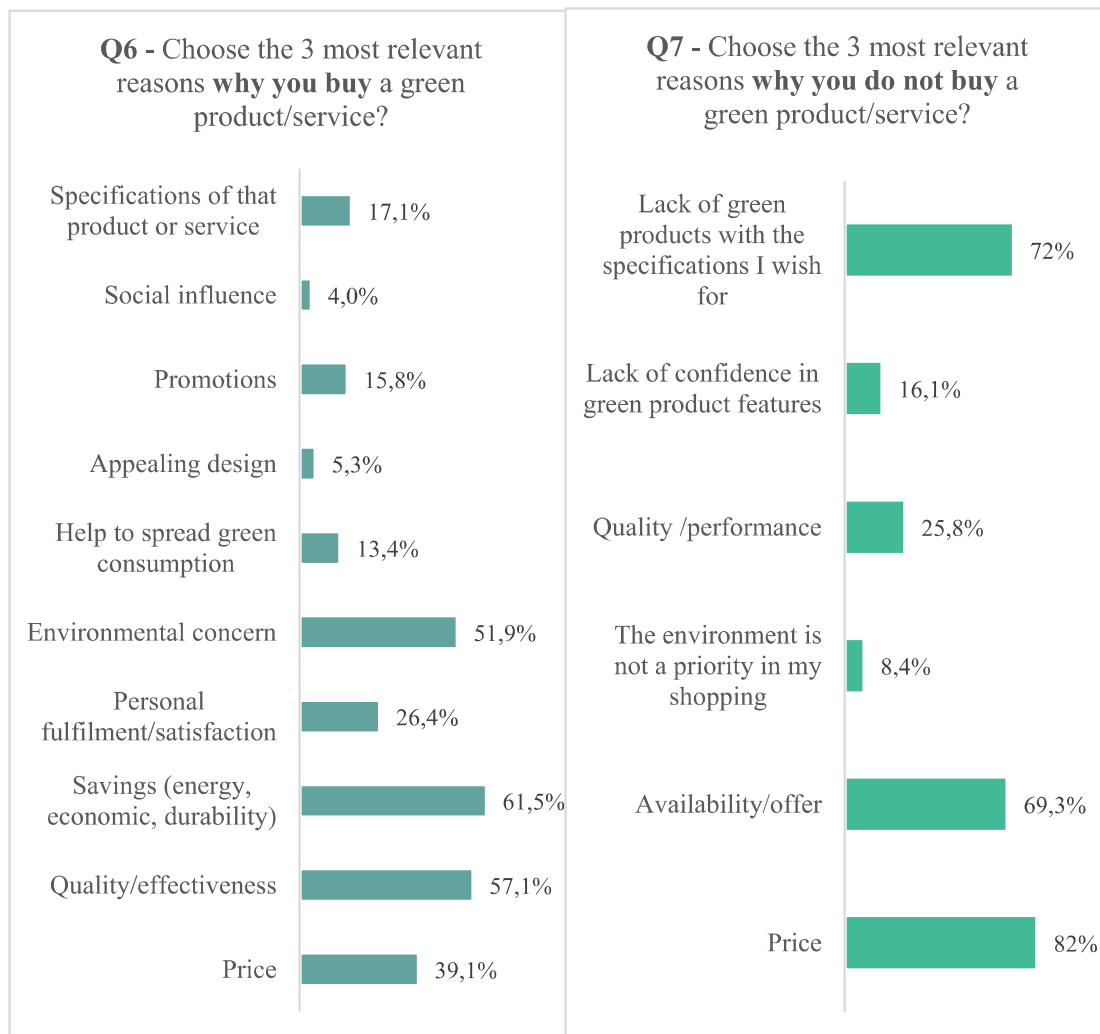


Figure 3.9: Influencing Factors and Barriers to Green Purchase

From a consumer perspective (Q8), Worten is not a green brand (n=159; X=3.5) once they cannot identify examples of environmental initiatives taken by the company (n=201; X=3.1). Consequently, the fact that Worten is green is not a reason why they buy its products in particular (n=159; X=3.5), as they do not consider the brand to be more sustainable than other brands (n=149; X=4.3). Nevertheless, Worten customers trust Worten products labeled as eco-friendly (n=159; X=3.5).

Table 3.2: Level of Agreement towards Worten as a Green Brand

	Disagree	Neutral	Agree	Average
I consider Worten a green mark.	159	89	74	3,5
I trust Worten products labeled as environmentally friendly to be less harmful.	96	54	172	4,5
I can identify some examples of environmental initiatives used by Worten.	201	48	73	3,1
I don't think Worten is more sustainable than other brands.	103	70	149	4,3
The fact that Worten is a green brand is one reason why I buy its products in particular.	159	76	87	3,5

In what concerns Worten green products (Q9, Q10), most respondents remain neutral (n=141; X=43.8%) although more than half of respondents are pleased with them (n=176; X=64.7%). The respondent admits to being consistent regarding their consumption decisions (n=188; X=4.7) and therefore whenever possible buys a green product instead of a regular one (n=184; X=4.7) since they believe they are as good as others with identical features (n=182; X=4.7). In this sense, Worten customers are still willing to pay more for green products (n=157; X=4.2) despite this, half of them struggles in finding this type of product in the shop (n=113; X=4).

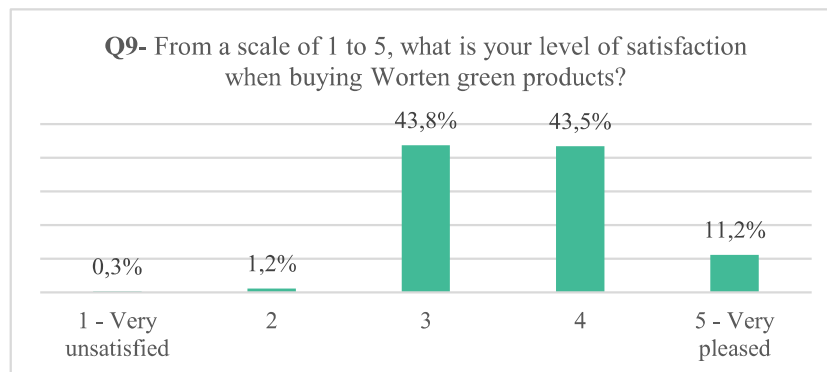


Figure 3.10: Level of Customer' Satisfaction with Worten Green Products

Table 3.3: Level of Agreement on Green Purchasing Intentions and Decisions

	Disagree	Neutral	Agree	Average
I am consistent in my consumption decisions.	80	54	188	4,7
I have trouble finding environmentally friendly Worten products	112	97	113	4
Whenever possible I choose a green product over a regular one.	91	47	184	4,7
I am willing to pay more for eco-friendly products.	107	58	157	4,2
Green products are as good as others with identical features.	76	64	182	4,7

Through question 11 it was possible to conclude that the majority of Worten's customers are unaware of any environmental initiatives taken by the company (n=133; 41.3%). Of the consumers who are familiar with these initiatives, Worten Transforms (n=109; 47.9%), the Energy Efficiency Campaign (n=91; 35.4%), and the Worten Exchange-Efficiency/Forest Campaign (n=70; 33.3%) stand out.

So, it makes sense the majority of respondents did not participate in any of the campaigns (n=274; 85.1%), and among those who did (n=48; 14.9%) the Worten Transforms campaign registered the highest level of participation (n=24; 47.9%).

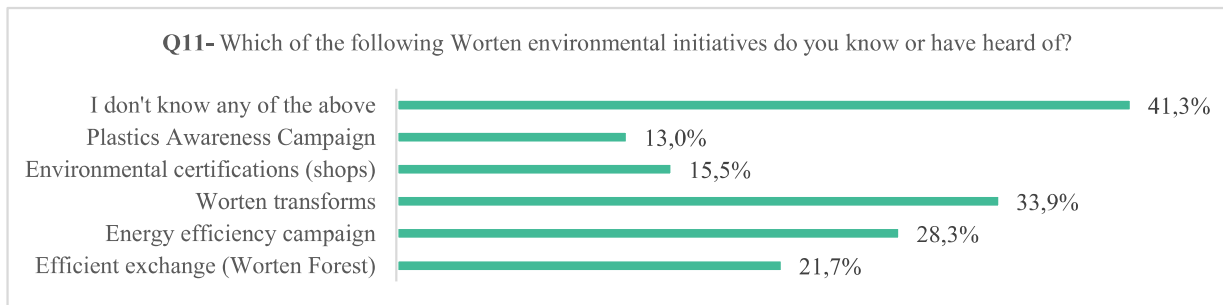


Figure 3.1: Customer' Awareness on Worten's Environmental Initiatives

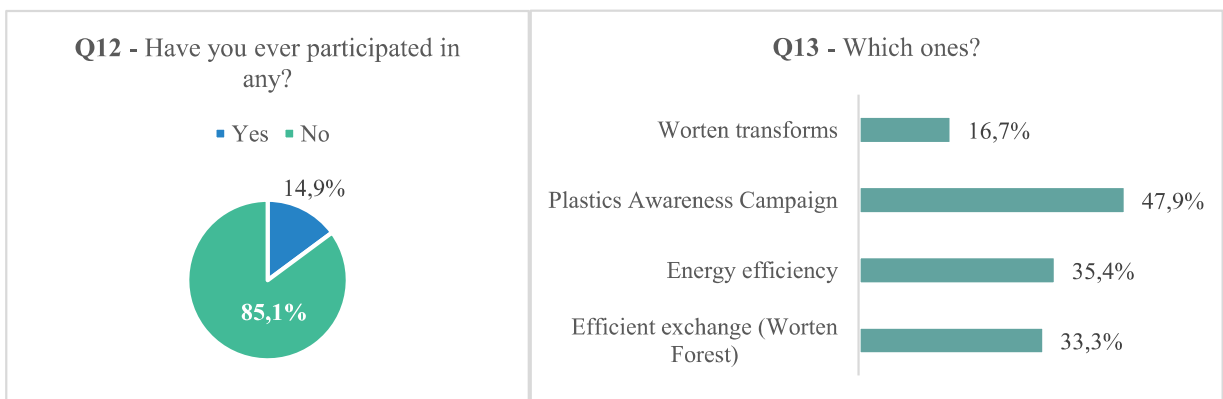


Figure 3.12: Customer' Participation in Worten's Environmental Initiatives

In terms of communication channels, Worten customers were aware of these campaigns mostly through in-store communication (n=38; 79.2%), TV (n=20; 41.7%), social networks (n=15; 31.3%) and online advertising (n=12; 25%). On the other hand, when asked which communication channel they use and pay most attention to, the Internet contrasts with the rest of the channels (n=276; 44.7%). Within the preferred communication channel, the digital (Internet), Worten customers prefer and use most frequently Instagram (n=234; 72.7%) followed by E-mail (n=165; 51.2%), Facebook (n=190; 59%) and Youtube (n=157; 78.8%), which explains why a large number of Worten customers are aware of green campaigns via the digital medium (n=38; 79.3%).

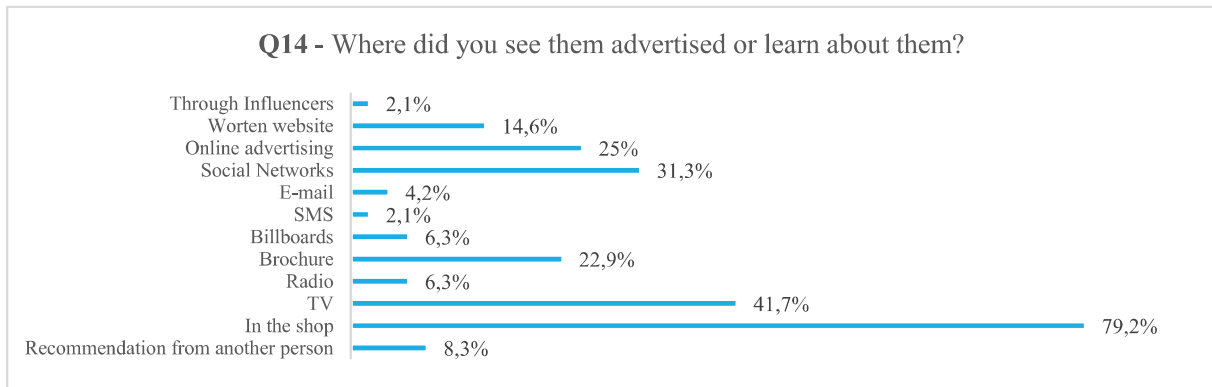


Figure 3.13: Communication Channels Where Customers Became Aware of Worten's Green Campaigns

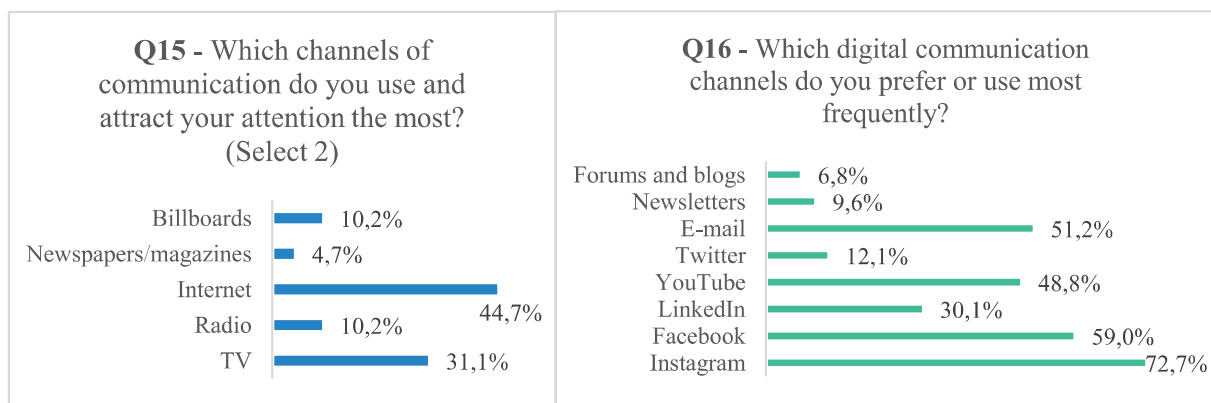


Figure 3.14: Preferred Communication Channels for the Customer

After a brief presentation and description of the main green campaigns, respondents were asked to rank them by the level of interest. Worten Transforms was put in the first place (n=137) followed by Efficient Exchange/ Worten Forest (n=138) and finally, thirdly, the Energy Efficiency Campaign (n=130). The attributes that they gave most importance to in these campaigns were: Environmental Concern (n=242; 75.2%); Energy/Economics Savings (n=213; 66.1%); and Contribution to the Circular Economy (n=176; 54.7%).

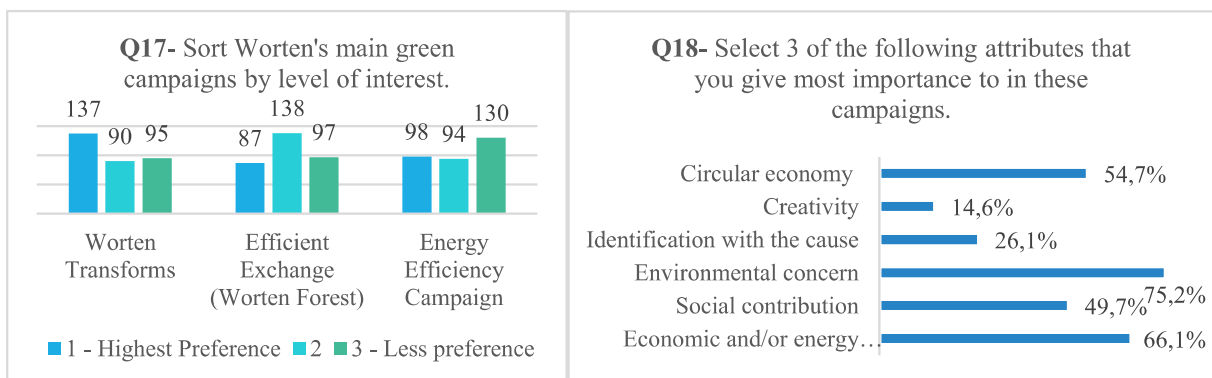


Figure 3.15: Interest and Importance towards Worten's Green Campaigns

Finally, the respondents consider that Worten is greener than they had imagined (n=172; 53.7%) which is in line with previous data revealing low awareness towards Worten as a green mark. However, part of their customers believes that Worten could be greener (n=66; 20.5%), although almost the same number of them think Worten meets their expectations as a green consumer (n=62; 19,3%).

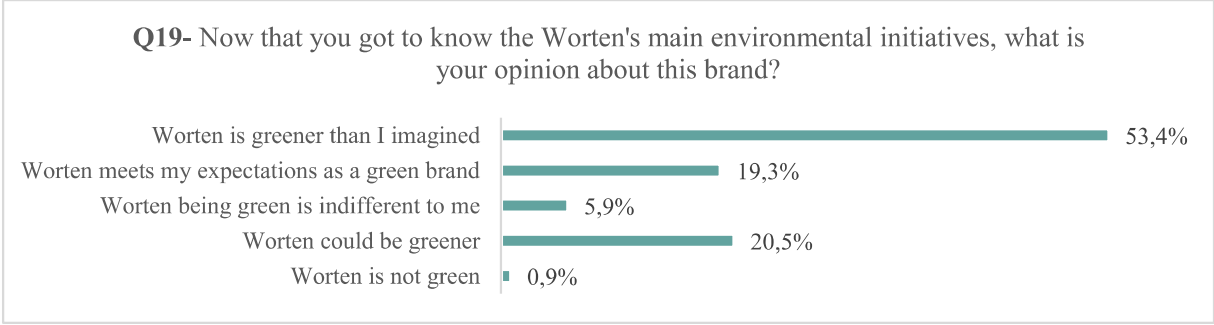


Figure 3.16: Customer' Opinion of Worten as a Green Brand after Being Informed of its Green Campaigns

In this sense, since the majority of respondents identify themselves as green consumers, after having been better informed about Worten's environmental program they not only identify themselves more with the brand now (n=171; X=4.5) but are also interested in participating in these campaigns in the future (n=189; X=4.6) and consider it important that these mark specific days (n=198; X=4.8).

Table 3.4: Customer' Perspective of Worten's Green Campaigns

	Disagree	Neutral	Agree	Average
I wish to participate in these campaigns in the future.	94	39	189	4,6
I identify more with the brand now.	90	61	171	4,5
I believe in the content and results of these campaigns.	71	51	200	4,8
I would like to see new and different Worten campaigns on social and environmental responsibility.	59	37	226	5,2
I consider it relevant that the campaigns mark specific moments (e.g. Christmas, Tree Day).	86	38	198	4,8

Therefore, most respondents recommend these campaigns (n=154; 78.9%). Finally, it is worth highlighting the respondents' confidence in the brand's green efforts (n=200; X=4.8), as well as their desire to see more and different campaigns towards social and environmental responsibility (n=226; X=5.2), being more captivated by them when a campaign benefits both types of responsibility (n=217; 67.4%). The majority of Worten customers feel satisfied (n=252; 78.3%) and proud (n=132; 41%) knowing that they are buying from a brand that is so concerned with the environment.

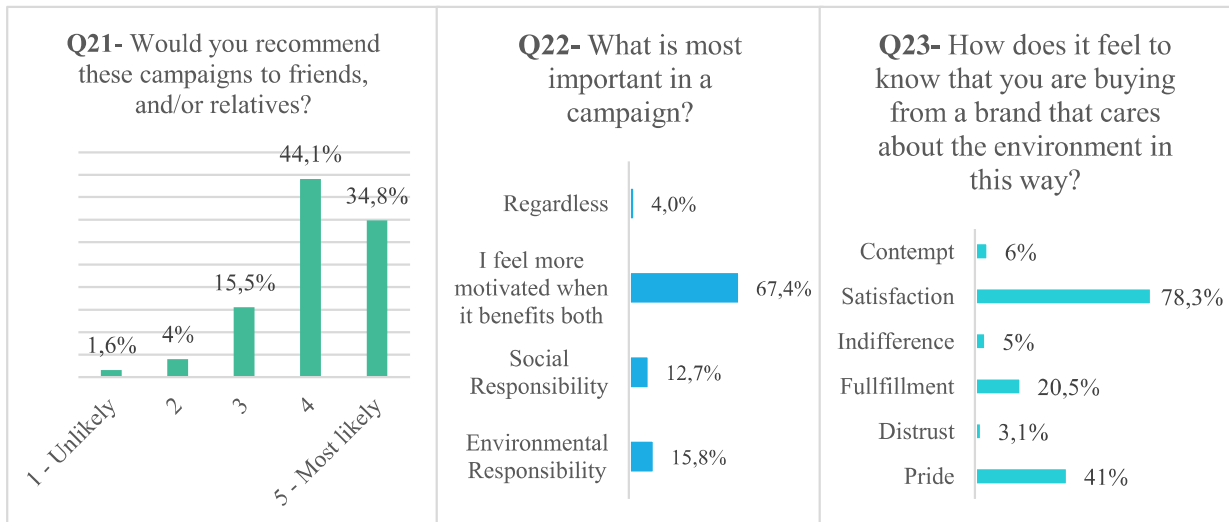


Figure 3.17: Customer's Recommendations, Motivations, and Feelings towards Worten's Green Program

Concerning Worten's green marketing, its customer is very much identified with the environmental messages the brand conveys (n=241; X=2.7) and considers environmental responsibility to be very much associated with social responsibility in the campaigns presented (n=159; X=4.5). He also considers that both products and green campaigns are communicated in an appealingly (n=142; X=4.3) and admits that the company's green marketing positively influences his brand's perception (n=211; X=4.9).

In this regard, what the majority of the respondents value most in Worten's green communication is: the contribution to the circular economy (n=164; 50,9%); an intentional pricing strategy (a fair non-inflated price of a green product) (n=162; 50,3%); and the coherence and transparency of the brand's environmental message (n=160; 49,7%).

Finally, in the context of the brand's environmental concern, Worten clients would like to see more and better the communication of these green campaigns and initiatives (n=180; 55.9%), information towards these and consequent results (n=160; 49.7%), as well as more buying incentives (n=156; 48.4%) and highlighting of green products (n=151; 46.9%).

Table 3.5: Customer' Perception of Worten's Green Marketing

	Disagree	Neutral	Agree	Average
I do not identify with the environmental messages Worten sends.	241	31	50	2,7
At Worten, social responsibility is very much associated with the environment.	85	78	159	4,5
I find the way Worten presents green campaigns and products appealing.	107	63	152	4,3
I think that green marketing practices positively affect my brand perception.	72	39	211	4,9

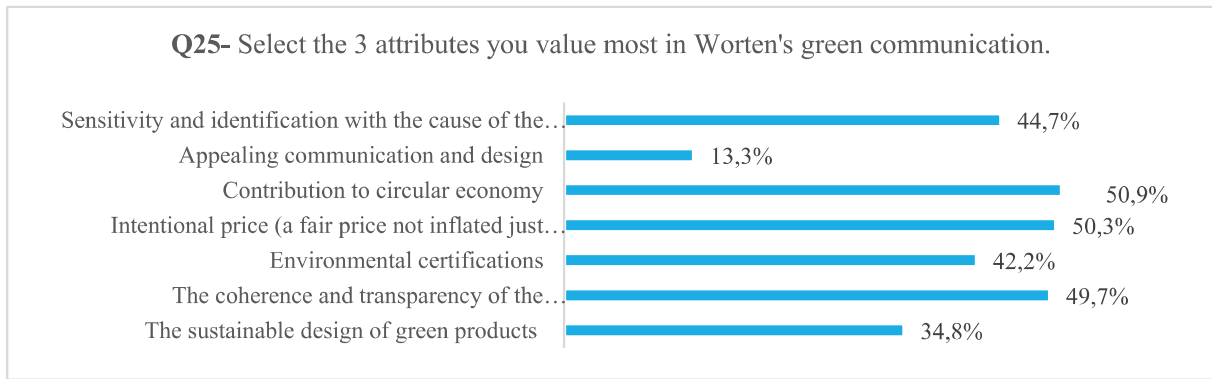


Figure 3.18: Most Appreciated Features in Worten's Green Communication

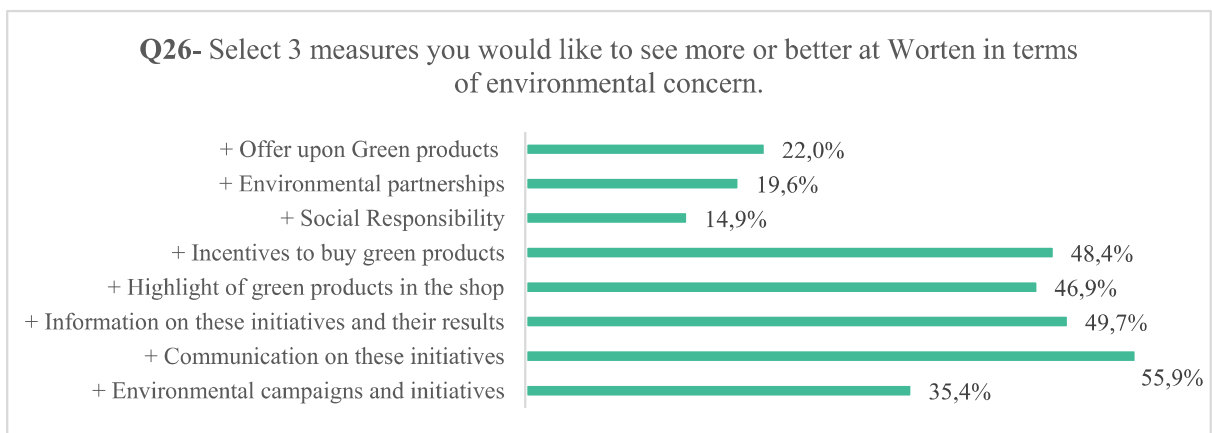


Figure 3.19: Green Measures that Customers Want Improved in Worten's GM Program

To properly conduct a reliable and conclusive analysis of the aspects proposed to be studied an analysis on the main characteristics of the individuals that compose the sample and support the investigation was proceeded. For this, some statistical indicators were selected, allowing the employees' socio-demographic analysis.

Table 7 shows the demographic characteristics of the 322 people who answered the questions of sociodemographic characteristics, since the others never made purchases of technological products at Worten and, therefore, did not complete the questionnaire. The sample's characterization charts can be found in Annex M.

Table 3.6: Sample's Characterization

Question	Variable	Data
Q27	Sex	Mostly female (64.9%);
Q28	Age	Between 18 and 24 years (38.3%);
Q29	Completed academic qualifications	44.5% have a bachelor's degree;
Q30	Occupation	37.6% works against someone else;
Q31	Income	Under 500€ (26.7%) (n=86).

3.4. Critical Analysis

The *first objective* of this study focused on realizing the environmental concern and predisposition of the Worten customer for the adoption of green consumption behavior and decisions. The results highlight that Worten's consumer mostly positions itself as a green consumer and shows a greater predisposition to green consumption and behavior. This confirms Schoor's (2013) findings stating that a green consumer implies the adoption of attitudes and behaviors that minimize negative effects on the environment.

In fact, they think themselves to be consistent within their consumption decisions and if they have the chance, they give preference to green products whenever it is possible and believe that its quality is as good as others, which is aligned with the interviewed statements. Although consumers do not buy products at Worten because it is a green brand, they feel satisfied to know that they are buying from a company that deeply cares about and protects the environment. The consumer is also pleased and trusts Worten's green products. Hence, he is willing to pay more for this type of products although sometimes he has difficulties in finding them at the shop. This is aligned with previous findings acknowledging that environmental values positively affect the consumers' attitude toward green products and green behavioral intentions (Kautish & Sharma, 2019) as well a Lee's (2008) discoveries on green purchasing behavior motivated by emotional involvement.

Nevertheless, as regards *objective 2*, the price was identified as the main blocker for green purchases as supported by Nguyen *et al.*, 2017 and predicted by the interviewees which is associated with the low income and purchasing power of the Portuguese population. So, it makes sense that green consumption is most likely to be manifested in Worten's customers when it means energy efficiency and economic savings for the consumer as stated by Finisterra Do Paço *et al.*, (2010). This problem will probably become even more pronounced with the current economic crisis caused by the pandemic.

Other drivers for green purchases are related to the quality/effectiveness of a green product and the customer's environmental concern in opponent to social influence and appealing design. Lack of green products with the specifications they wish for and its availability/offer represent the second main blockers for green consumption. All these are supported by the interviewees along with other influencing factors.

Objective 3 focused primarily on determining the level of awareness and deception as well as customer acceptance of Worten's environmental strategy. The results reveal they do not consider Worten as a green brand and are unaware of its environmental initiatives so, they do not think the brand is more sustainable than others. Consequently, only a few customers are familiar with these initiatives. Worten Transforms, Energy Efficiency Campaign, and Exchange-Efficiency/ Worten Forest Campaign are the ones they know the best, although only 15% of them participated in them. Worten Transforms registered the highest level of participation and interest, what meets the attributes customers give most importance to among these campaigns. They value once again to environmental concern, savings, and contribution to the circular economy. To sum up, Worten is greener than they had imagined, they now feel closer to

the brand and wish to participate in these initiatives in the future as well as to see new and different ones.

Concerning Worten's GM effectiveness and success (*objectives 4 and 5*), findings suggest customers identify strongly with the environmental messages that the brand seeks to carry and find these to be communicated attractively. Customers also care that campaigns mark a specific day and admit Worten's GM affects positively their brand perception. Moreover, they are concerned and receptive to initiatives both in terms of environmental and social responsibility and feel more motivated to join a campaign when both dimensions are associated. This is confirmed once again by the interviewees and Ko *et al.*, (2013) that suggested SR plays an important role as a mediator in the impact of green marketing performance.

Thus, it can be concluded that consumers do not associate the company with a green brand since they are unaware of its environmental efforts, but after being informed about them, they express satisfaction, relate more to the brand, and express their desire to participate in it.

As a result, it can be assumed that the problem relies on a lack of green communication between the brand and the consumer (*objectives 4 and 5*). It then becomes relevant to understand the communication channels they most use and prefer to diagnose the effectiveness of those already being used to accomplish *objective 4*. From this analysis, it was perceived that consumers are mostly online and even more present in social networks, namely on Instagram. This information is in line with the trend reported by the interviewees and Kang and Kim (2017) who strongly support social media as greater GM communication channel.

Chapter 4

Improvement Proposal

A SWOT analysis has been developed to gain a better understanding of Worten's business panorama particularly from a sustainable spectrum and, as a result, outline the most appropriate improvement suggestions. Once the entire SWOT matrix has been completed, it became relevant to proceed with an analysis for planning and drawing up strategic action plans (dynamic SWOT). For this, a Table was developed to facilitate the understanding and easily visualize which strengths, weaknesses, opportunities, and threats are associated with each proposal as well as potential results from it.

4.1. Strengths Vs. Opportunities

In order to make the most of the strengths and the opportunities detected both were compared. Retail and online commerce is growing well and the number of green consumers looking more and more for green products is increasing. Worten is known to be a trustworthy brand in the industry and market where it operates and recently has boomed its online sales following the e-commerce trend. Therefore, the company could *diversify and extend its green product and fairtrade line available in the shops and market even more online.*

The company continuously invests in innovation and sustainability, has its own branded suppliers, and is recognized for having a wide variety of products with an emphasis on technological innovation. Thus, Worten could take advantage of this opportunity in conjunction with new trends and changes in Portuguese consumption habits. Following the first proposal presented, and because customers trust the brand's green products it is suggested that the *company invests in the production and innovation of sustainable products.* This investment could even be focused on energy efficiency equipment that meant savings for the Portuguese once they are more willing to buy green products with these features (Schoor, 2013).

Digital channels are becoming more and more relevant. Nowadays, the internet is a major channel that cannot be forgotten or neglected in terms of communication. The company has realized that customers are online and so, it has progressively favored these channels. This is confirmed by the previous findings in the literature from Dangelico and Vocalelli (2017), Polonsky and Rosenberger III (2001), Kang *et al.*, (2017:3), Suki (2016) and finally, Nguyen *et al.*, (2017) that highlights the potential of young consumers from this digital era. Lee (2008) and Porter and Claycomb (2010), agree and state younger consumers have greater green purchasing behavior.

Worten's digital marketing is made through online advertising, social networks such as Facebook, Linked In, and its website, which currently due to the covid-19 pandemic, represents their largest shop. Influencers have great power in terms of message, and because of this, they are currently a communication tool widely used by brands including Worten as it gains public relations potential and

notoriety. The digital and sustainability rising trends along with the continuous growth of e-commerce and young consumers potential could be a great opportunity to explore and foster Worten's business sustainability and sales.

In this sense, it is suggested that that the company *direct its green marketing more towards digital platforms particularly through influence marketing and target a broader younger audience*. The reason is that it is where all generations are namely the younger ones which represent the segment with the greatest environmental concern (Lee, 2008). Also, survey' results pointed preference for online channels and concluded that, from the customers aware of Worten's GM program, the internet is where they mostly got to know and learned about it. By doing this, it is expected the enhancement of the brand's recognition towards sustainability and GM effectiveness.

The growing legislation, political, and media pressure on sustainability can be used as an incentive to develop even more and better initiatives linked to environmental and social responsibility that, also can consequently further improve the brand's image and reputation as well as familiarity, trust, and admiration of its client.

4.2. Strengths Vs. Threats

To make the most of the strengths and minimize the effects of the threats detected, strengths were confronted with threats. As mentioned above, consumers are increasingly informed and demanding as well as adopting more and more pro-environmental consumer behavior and consumption decisions (Lee, 2011). The fact that there is little variety of green products available provided by the company does not completely satisfy the needs of the customer.

Furthermore, Worten believes that its main barrier to the fight for sustainability is the lack of diversification of recycled and sustainable materials with robustness and durability for incorporation into the products it sells. Even so, it is a matter of high priority, and in which the brand continues to work to find increasingly better product solutions and packaging. *"On Worten's exclusive brands we have been increasingly investing, on a more environmentally friendly packaging"*, exemplified Inês Drummond Borges, Worten Marketing Director (2019).

Therefore, it is reinforced the idea to invest in the extension and production of green products and packaging solutions. Besides, it is proposed the *highlight and encouragement of the purchase of green products both in the shop and online not only through specific moments of campaigns where it is reached a peak of sales*.

The lack of studies and information on green market research prevents the company from directing its strategy correctly and effectively. This study concluded that the majority of Worten's customers are unaware of its environmental efforts and only a small proportion of them have participated in its green campaigns. This reveals a mismatch of green communication with the current business reality once Worten strives in communicating its green efforts and engage its customer in its green program.

However, there is potential to solve both threats and improve the company's green communication performance. After being briefly informed of the main green campaigns, consumers said that Worten is greener than they had imagined and admit becoming more identified with the brand as well as feel satisfied by buying in a company that respects and protects both planet and community. Thus, they express their desire to participate in the brand's green initiatives in the future and wished the brand would communicate and inform him more about these initiatives.

In this sense, a new campaign and a stronger green communication is suggested, especially through digital marketing as mentioned above such as Instagram and influencers, that is what most customers say they use and pay most attention to.

Although the brand is the most dedicated in terms of GM comparing to its competitors, there is one that wins it in other several categories such as reputation, satisfaction, trust, image, and WOM. Thus, the brand can take advantage of this green context to switch the current paradigm through investments in green marketing and strategy, using its leadership, recognition, admiration, and familiarity to try outdo itself in the categories currently occupied by its strongest competitor (FNAC).

4.3. Weaknesses Vs. Opportunities

To develop strategies that minimize negative effects and weaknesses while taking advantage of emerging opportunities, weaknesses were compared with opportunities. Since there is a threat of peak sales being associated with campaign moments, Worten could take the opportunity of new trends and consumption habits and gradually spread green production, supply, and consumption in an attempt to standardize the number of sales and adherence to green campaigns.

Worten's greatest environmental impact is energy consumption even though the company tries to lessen this issue. However, no matter how much the brand strives to become 100% sustainable, it is very dependent on the players with whom it works. Although the company can influence the other parties involved in its value chain and work in this direction, the production of energy in Portugal and green energy must follow this growth. "*In transportation, an electric truck is not as viable as an electric car because it doesn't have the same performance and autonomy as a diesel one today*", exemplified Alexandra Balão.

In short, green development must occur along the brand's value chain to help it become 100% sustainable. This does not depend only on the brand itself and its players but on the world's evolution. This dependence on others corresponds to Worten's main challenge and conditions its success in achieving its goals. To break the dependency of other players, Worten could look for *new and innovative solutions within its value chain by diversifying it and looking for players more focused on a logic of sustainability* to accomplish its goal of becoming 100% sustainable in the next years.

4.4. Weaknesses Vs. Threats

One of the great challenges pointed out by the company lies in greenwashing. Interviewees agreed that the consumer is changing, and good sustainable practices are very much on the agenda nowadays, which may cause the temptation to *"take a bigger step than the leg"* at the end up in greenwashing. They added that, in terms of image and reputation, not only the company is affected but so are all the others who make this environmental effort. In this sense, any contradictory attitude on the part of a company *"is a shot in the foot"*. In the area of sustainability, this ends up being even more delicate once the consumer is more alert, concerned, and wants to have the real perception of the companies that are, in fact, more sustainable.

Worten is proud to have walked a path based on transparency and coherence. Although the company admits it still has a long way to go today it has always evolved in a very solid, progressive, and gradual way. *"Companies should be aware of the stage they are, in the field of sustainability, and start from there. In other words, they must know that there is still a lot to do but focus on doing well what they are doing now always in a coherent way"*, advised Alexandra Balão. In this scope, it is suggested that Worten keeps developing good work with its coherent GM program and transparent message that meets the objectives and culture of the company.

4.5. New Green Marketing Campaign: “Pratica(mente) Novo”



Figure 4.1: Marketing Image Suggested for the Proposed New Campaign “Pratica(mente) Novo”

Source: Own

Dabija *et al.*, (2018) claims that consumer electronics stores should focus on the environmental e-waste challenge as it has the greatest environmental implications. According to the author, programs embedded by consumer electronics retailers focused on this issue encourages customer's preference for those shops.

From the survey's results, it was possible to realize Worten's customers are careful when discarding WEEE and wish to see more and different campaigns towards sustainability. Taking advantage of the context and strategies of the GM campaigns that the company already uses, along with the preference of its consumer for green campaigns that contribute not only to the circular economy but also to promote

both environmental and social responsibility, it was decided as the project’s main proposal to develop a new campaign.

In this sense, “Practica(mente) Novo” goes through a variant of the Worten Transforms, that revealed to be the most successful campaign. This initiative was developed taking the above context into account complementing the company’s GM program.

Because "*The Future is a Worten away*" the idea focuses primarily on creating a bright new future and opportunities for people with economic, health, and social difficulties while protecting the planet. How? By investing in their education and qualify them as professionals’ electronic technicians while giving new life to damaged or obsolete electric and electronic equipment. In other words, it is suggested that part of the e-waste Worten already collects and sends to dedicated facilities, is directed to professional schools focused on training electronics and telecommunications technicians.

In this way, people can learn and train how to fix this equipment. Later on, by helping them learn by doing, Worten is directly contributing to giving new lives to e-waste which can be used to equip other solidarity as it currently does through Worten Transforms. At the same time, Worten is creating jobs for people in need with less opportunities and give them a chance to start a new career. Thus, the campaign follows the logic of Worten Tranforms through circular economy, environmental, and social protection. All features that customers stated valuing the most in Worten’s green campaigns.

Potential partners have been identified such as Val do Rio vocational school, the Almada Vocational School, ATEC (Training Academy), the European School for Vocational Education, and the Centre for Vocational Training in the Electronics, Energy, Telecommunications and Information Technology Industry (CINEL). Portuguese population identifies themselves very much with the causes behind this campaign: education; job creation; circular economy; environmental protection; and value creation of people with economic difficulties, social problems, or with disabilities, for example. So, it is expected that, if well promoted their engagement with this green initiative will lead to good outcomes and results.

Finally, the name of this campaign - “Practica(mente) Novo” - has two meanings, that is to *practice* the mind of the people through learn by doing, and to provide others in need *practically new* equipment from it.



Figure 4.2: Marketing Image Suggested to Explain the New Campaign “Practica(mente) Novo”

Source: Own

Table 4.1. Table Summary of the Improvement Proposals for Worten's GM

Worten Green Marketing Improvement Proposals

1	Diversification and extension of Worten's green product line (available in the shops and market it even more online).
2	Investment in the production and innovation of sustainable products and packaging.
3	Investment in directing Worten's green marketing more significantly towards digital platforms, specifically through influence marketing and social networks, and target a broader younger audience.
4	Highlight and encourage the green products purchase both in-shop and online through incentives for instance (not only through specific moments of campaigns).
5	New Green Campaign: <i>Pratica(mente) Novo</i>

Source: Own

Conclusions and Limitations

Worldwide organizations are integrating sustainability in their activity and, this subject is now seen as a starting point to guide and develop a business in achieving competitive advantage. Several studies point to the influence of environmental and social responsibility on consumer behavior, particularly towards their consumption decisions, both in terms of purchase intention and brand choice.

Ground-breaking discoveries are continuously being made in the field of GM due to the importance of understanding how to successfully communicate sustainability and environmental care as part of an organization's culture. Retailers are starting to realize the influence of green marketing within the retail industry. The role of the retailer is to identify its customer's needs and design strategies to reach out to them by asking the customer what they want in a new product or a service (Bhavana *et al.*, 2018).

As a result, green marketing has become the most important tool for effectively managing green activity and achieve great results in this domain. In this sense, it remains important to see this subject from a consumer perspective. Thus, a company should evaluate how GM affects its client to properly answer its target needs. This corresponds to the research problem and the primary goal of this investigation that the study answered. Throughout the conclusions drawn from the methods of analysis, it was possible to comprehend the influence of Worten's GM on its customer and suggest some improvements in this matter.

According to the inferred conclusions, the Worten customer is green and therefore predisposed to adopt green behavior and attitudes. He is mindful of environmental protection and whenever possible materializes this concern in terms of consumption. However, price and low purchasing power are often inhibitors to green purchase, so he expresses this green behavior most when it means savings for him. Worten's customers are also unaware of its environmental program and only a minor part has engaged in its green initiatives. After being informed of this matter, they revealed positive attitudes and emotions claiming that Worten is greener than they imagined, and expressed his willingness to participate in them.

The results analysis showed that the problem of low awareness of Worten's green efforts is due to a communication gap between brand and client. Once Worten customers privilege digital communication channels, it makes sense that one of the main proposals is to further promote Worten's GM in this sense. Campaigns are what seems to work best for the company, and Worten Transforms is the one that attracts the most interest and participation from the customer. Therefore, since the customer wants to see more and different campaigns that both privilege environmental and social responsibility, a new campaign has been created following the logic of Wortem Transforms.

In terms of limitations, first, the fact that the questionnaire was launched online represented a limitation to the study as it made most of the sample (almost half) was very young compared to the other age groups. On the other hand, the lack of studies on the effect of the company's GM actions as well as the lack of qualitative and quantitative data in this scope was considered another limitation, which was

the reason for a longer interview guide and consequent wider content analysis. The pandemic context was another limitation to the study that changed its course as it did not allow the collection of data presented as initially thought. Nevertheless, this context proved advantageous as online data collection allowed more responses and a better match with the agendas of both interviewees.

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Annexes

Annex A: Green Marketing Mix

Source: Adapted from Paiva & Proença (2011)

Green Product	Design of the product	<ul style="list-style-type: none"> • Functions • Attributes
	Production	<ul style="list-style-type: none"> • Technology • Raw material
	Life cycle of the product	<ul style="list-style-type: none"> • From design to marketing • From consumption to waste management
	Labels and trademarks	<ul style="list-style-type: none"> • Ecological certification • Emotional positioning of waste
	Packaging	<ul style="list-style-type: none"> • Design and material • Reuse and waste
Green Price	Price analysis	<ul style="list-style-type: none"> • Costs • Value perception • Competitiveness
	Price strategies	<ul style="list-style-type: none"> • Differentiation • Equivalent to the competitors
	Differentiation	<ul style="list-style-type: none"> • Premium price because it is green • Association to complementary products or services
	Equivalent to the competitors	<ul style="list-style-type: none"> • Undifferentiated • Promotions
Green Place	Minimization of waste	<ul style="list-style-type: none"> • Transport • Distribution • Storage
	Differentiation	<ul style="list-style-type: none"> • Collection • Waste
	Green value	<ul style="list-style-type: none"> • Differentiation • Business opportunities • Communication
Green Promotion	Communication's objective	<ul style="list-style-type: none"> • Education • Information
	Message	<ul style="list-style-type: none"> • Objective and credible • Appropriate to the product, the company and the target
	Media	<ul style="list-style-type: none"> • Appropriate to the target • Innovative • Promote credibility

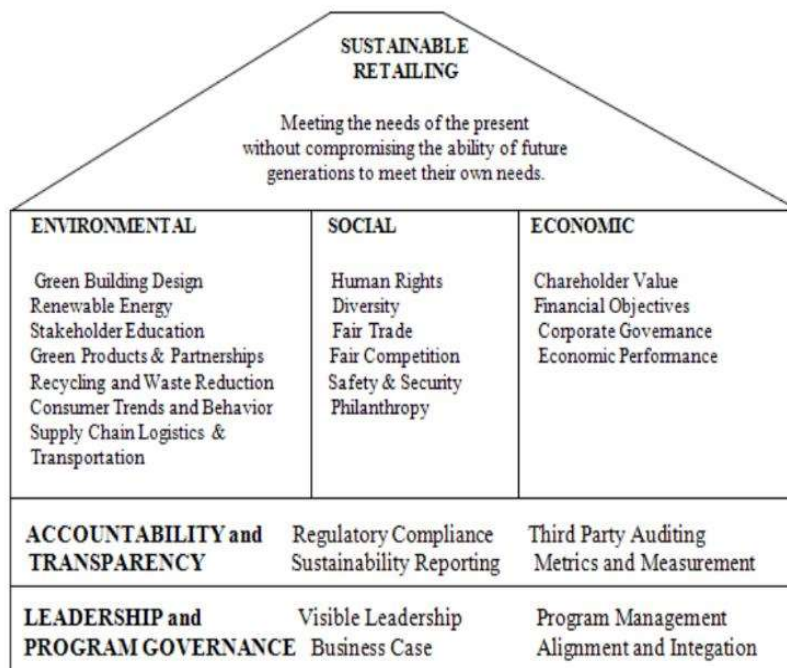
Annex B: The differences between Hedonic and Utilitarian Shopping Value

Source: Adapted from Yusof's (2012).

Shopping Value	Hedonic	Utilitarian
Source	Pleasurable experience	Efficient experience from the functional aspect
Elements	Smells, sights, as well as memories evoked by shopping as well as social interactions incurred while shopping	Experienced by a consumer when specific goals for a shopping trip was satisfied such as finding the item, they were looking for
Characteristics	Subjective, personal and experiential	Objective and goal-oriented
Examples	Fun, excitement, enjoyment.	Fulfillment, satisfaction, achievement

Annex C: Sustainability Factors in Retail Business

Source: Gleason, 2010; Klotz, 2013.



Annex D: The Global E-waste Monitor of 2020: Quantities, flows, and the circular economy potential

Source: Forti et al., 2020.



Annex E: Theoretical Table Summarizing the Investigated Green Retailing Literature Review

Source: Own.

Authors	Year	Article	Purpose	Methodology	Findings
Eunju Ko, Yoo Kyung Hwang, Eun Young Kim	2013	Sustainable Cost Management in Retail	This study explores the relationship among green marketing, corporate image, and purchase intentions in the retail setting from a consumer perspective.	Questionnaires	Findings confirm that corporate images consist of three factors: social responsibility, product image, and corporate reputation. Green marketing has a direct effect on the social responsibility and product image. SR plays an important role as mediator in the effect of green marketing on product or corporate reputation. Of the three factors of corporate image, product image and corporate reputation have a direct effect on purchase intentions, whereas social responsibility has an indirect effect on purchase intentions in the retail setting
Antonio Marin-Garcia, Irene Gil-Saura and M. Eugenia Ruiz-Molina	2019	How do innovation and sustainability contribute to generate retail equity? Evidence from Spanish retailing	This study aims to examine links in depth between the variables traditionally related to brand equity (store awareness, store image, store perceived quality and store loyalty) and innovation, sustainability, and the global retail equity.	Structured questionnaire	The authors find evidence in favor of the positive influence of innovation and sustainability on the variables related to brand equity. Likewise, store loyalty to the establishment, influenced by store image and perceived quality, emerges as a key variable in the construction of global brand equity.
Johanna Bergvall and Lovisa Degerskär	2018	From core to store	The purpose of this study is to investigate how retailers' sustainability work on corporate level is translated and communicated in the retail store environment.	Interviews with employees	The results of the study show that the retailer has not fully achieved to integrate sustainability throughout the entire organisation. When it comes to the way in which sustainability takes its physical presence in the store environment, the visibility of the approach is limited.
Dabija, Dan Cristian Bejan, Brîndușa Mariana Grant, David B.	2018	The Impact of Consumer Green Behaviour on Green Loyalty among Retail Formats: A Romanian Case Study	This paper investigates behavioral antecedents contributing to the development of green loyalty in the Romanian retail market.	Questionnaire	The results from this project reveal that, from the customer's perspectives, the generation of green loyalty varies across the studied retail formats. Therefore, behavioral antecedents have the strongest and most significant impact in generating this type of loyalty in electronic and household appliances retail.
Yusof, Jamaliah Mohd. Musa, Rosidah Rahman, Sofiah Abd.	2012	The Effects of Green Image of Retailers on Shopping Value and Store Loyalty	This study aims at examining the influence of green image on shopping value and store loyalty.	Questionnaire	Green image of retailers has no significant relationship with store loyalty but has a significant influence on shopping value. Shopping value appears to mediate the relationship between green image of retailers and store loyalty. The results provide important findings to researchers and practitioners as well as implications for future research directions and management of the retail industry
Porter, Stephen S. Claycomb, Cindy	2010	The Influence of Sustainable Development on Retail Store Image	This article explores young consumers' perceptions of the sustainable development (SD) initiatives of French food retailers and evaluates their impact on the brand image of the retailers and their relationships with consumers.	In-depth interviews and a face-to-face survey.	The findings highlight that young consumers tend to link SD more to ecology and less to social and economic issues. When a retailer's SD actions are perceived and valued, young consumers show an emotional connection that is translated into positive attitudes, purchasing intentions and a willingness to recommend the retailer. When young consumers are not sensitive to SD actions, they continue to choose their retailer on the basis of geographical proximity.

Annex E: Theoretical Table Summarizing the Investigated Green Retailing Literature Review

Source: Own.

Authors	Year	Article	Purpose	Methodology	Findings
Klotz, Bea	2013	Sustainable Cost Management in Retail	This paper aims to confirm if sustainable costs are crucial factor for business success in the modern retail, particularly during the economic crisis, as well as if it is necessary to continuously develop "sustainable awareness" of retailers on the importance of more efficient sustainable cost management in order to achieve the target performance.	Interviews with key financial and operational managers	The research in the retail showed that there is a significant relationship between sustainable performance and financial performance. Sustainability is considered to be crucial factor in business performance of retail companies.
Bailey, Ainsworth A. Mishra, Aditya S. Tiarniyu, Mojisola F.	2018	Application of GREEN scale to understanding US consumer response to green marketing communications	This paper reports on three studies that were done as part of an application of the GREEN scale to understanding US consumer response to green marketing communications.	Questionnaire	The results show that, in addition to helping to explain green consumption behaviors, GREEN can also help to explain consumer response to brands' marketing communications efforts.
Bailey, Ainsworth A. Mishra, Aditya S. Tiarniyu, Mojisola F.	2010	Green Retailing: FACTORS FOR SUCCESS	Identify the different dimensions of GR and examine the roles of retailers in greening the value chain to develop a successful strategy and practices	Framework grounded in the natural resource-based view of the firm(NRBV)	To determine what GR practices can serve their best interests, practitioners can follow our proposed strategy loop, which provides a roadmap for GR success. Following the steps in the strat-egy loop, retailers will be able to evaluate their own situations, formulate action plans for GR, and make adjustments in their value chain activities to improve performance outcomes in both economic and environmental aspects.
Junior, Sergio Silva Braga da Silva, Dirceu Gabriel, Marcelo Luiz D.S. Braga, Waleska Reali de Oliveira	2015	The Effects of Environmental Concern on Purchase of Green Products in Retail	To assess whether the consumer is recognizing and effectively declaring that buying green products in retail. Given	Questionnaire	There is a possibility the consumer does not realize the importance of changing the habit of consumption, more fixed in their routine to buy and past experience you have that attitude strengthens the fact suffer a low influence his behavior.
Kumar, Prashant	2014	Greening retail: An indian experience	The purpose of this paper is to determine the extent of greening retail taking place in Indian context and identifies its core groups of green retail practices.	Questionnaire	Nine core groups of green retail practices are identified – distinctness of green products, promoting sustainable business practices, use of environmental keywords, promotion for awareness, promotional offers for sale, ensuring availability and visibility of green products, approval for environmental claims, environmentally friendly appeal of store and consumer involvement approaches.

Annex F: Interview Script

Source: Own

The Influence of Green Marketing on the Worten Consumer

Date/Time: 3:30pm to 4:45pm, June 12, 2020.

Interviewees: Alexandra Balão (Worten Corporate Communications Officer); Diana Pereira (Worten Environmental Engineer).

Request video call recording authorization.

My name is Beatriz, I graduated in HRM at ISCTE and continued my academic career there. At the moment, I'm attending the second year of my master's degree in management (in English) and I'm writing my thesis on a theme that fascinates me and I have a great passion.

This project focuses on the influence of green marketing on the consumer, more specifically in the retail and consumer electronics sector.

The main objective is to understand how Worten's green marketing strategies and practices, environmental efforts and commitment to sustainability influence your customers. First, I would like you to briefly introduce yourselves and talk about your role in the company. Therefore, I would like to start this interview by asking what do you understand by green marketing?

1. Do you consider that there is a positive evolution in the number of Worten green consumers in the last decade? (Yes/No) What do you think is the reason for this phenomenon?
2. Do you think your consumers are willing to pay more for a green product or service?
3. What are the factors that you recognize influencing the most your customers when buying green products and joining green campaigns?
4. Which factor has more and less impact?
5. Define the profile of your green consumer (such as characteristics, trends, behaviors).
6. Do you consider that this profile has been changing over time? How does this trend currently express itself in the client?
7. What communication channels are you using to promote green products?
8. Which do you recognize as being most effective today? Why?
9. How have the choices of your environmental messages communicated to the customer contributed to a more effective ecological promotion?
10. Has Worten adopted a philosophy based on the values of sustainability and environmental protection from the beginning? If so, why? If not, when and why did the concern for sustainability arise?
11. Could you briefly explain the importance of adopting green marketing strategies for Worten?
12. What environmental practices and initiatives are currently in place at Worten? (e.g. campaigns, eco-labelling, recycling, etc.)
13. What were the 3 great moments at Worten in terms of green marketing that you remember? (for example, campaigns and green marketing strategies adopted by the company that have stood out)
14. Do you think other entities, such as shareholders, stakeholders, NGOs, media, etc. show more interest in companies that follow a green culture and values in the pursuit of sustainable development? To what extent?
15. How does Worten position itself in relation to the market in terms of sustainability?
16. What do you consider to be the main risks and opportunities for Worten when investing on sustainable development? Justify.
17. What are the biggest challenges for Worten in using a green marketing strategy?

18. And what aspects do you feel you benefit the most? (for example, influencing the company's image and reputation positively).

19. How do you see the future of Worten and the global market in relation to green marketing?

20. Are customers currently satisfied in terms of brand sustainability? What can be improved in the future?

At the beginning of this interview I asked them what they understood by Green Marketing, now to finish I would like to ask you what you think can change in Green Marketing in the next decade?

Thank you! 😊

Annex G: Online Survey Structure; Source: Own

The Influence of Green Marketing on the Worten Consumer

This questionnaire is part of my Master's thesis in Management at Iscte Business School.

The aim is to understand the influence of green marketing on the Worten consumer.

The target participants of this questionnaire are Worten customers.

The questions are designed for quick answers, so the questionnaire will take no more than 10 minutes. The data collected will be for academic purposes only, and all responses are anonymous and confidential. Please make sure you answer all questions according to your experience, thoughts and feelings; there are no right or wrong answers.

Thank you in advance for your cooperation! 😊

*Obligatory

Before we start...

Thank you for your time and willingness to fill out this questionnaire!

1- Do you know Worten? *



- Yes
- No

2- Have you ever bought Worten products? *

- Yes
- No

3- How often do you buy Worten products? *

- Never
- Rarely
- Sometimes
- Often
- Always

Section A - What kind of consumer am I?

The green consumer is the one who has consumer attitudes aimed at preserving the environment. These positive attitudes contribute to the sustainable development of the planet.

4- Do you consider yourself a green consumer? *

- 1 - I don't identify myself at all
- 2
- 3
- 4
- 5 - I fully identify myself

5- Please indicate your level of agreement with the following statements. Considering a scale on which 1- I totally disagree and 7- I totally agree. *

- I do not have in my routine sustainable habits like recycling at home and/or at work.
- I have not in the habit of asking where the products I buy come from, how they are produced and what raw materials are involved in the production process.
- I am careful to dispose of electrical, electronic or consumable equipment that I no longer use, are broken or obsolete.
- I pay more attention to environmentally friendly advertising.
- If there is such an alternative, I prefer products that cause less pollution.
- I do not stop buying a product because it doesn't comply with the ecological conditions/rules.

Section B – Green: To be or not be? That's the question!

6- Choose the 3 most relevant reasons why you buy a green product/service? *

- Price
- Quality/effectiveness
- Savings (energy, economic, durability)
- Personal fulfilment/satisfaction
- Environmental concern
- Help to spread green consumption
- Appealing design
- Promotions
- Social influence
- Specifications of that product or service

7- What are the 3 main reasons why you do not buy environmentally friendly products? *

- Price
- Availability/offer
- The environment is not a priority in my shopping
- Quality /performance
- Lack of confidence in green product features
- Lack of green products with the specifications I wish for

Section C1 - Making a difference, every day.

A green brand offers a sustainable service as part of its culture and identity, i.e. environmental values are the essence of the brand.

8- Please indicate your level of agreement with the following statements. Considering a scale where 1 -I totally disagree and 7 - I totally agree. *

- I consider Worten a green mark.
- I trust Worten products labelled as environmentally friendly to be less harmful.
- I can identify some examples of environmental initiatives used by Worten.
- I don't think Worten is more sustainable than other brands.
- The fact that Worten is a green brand is one reason why I buy its products in particular.

Section C2 - Green Products

A green or environmentally friendly product is one whose environmental and social performance is significantly better than the corresponding alternatives.

9- From a scale of 1 to 5, what is your level of satisfaction when buying Worten green products? *

- 1 - Very dissatisfied
- 2
- 3
- 4
- 5 - Very pleased

10- To what extent do you agree or disagree with the following statements on environmentally friendly Worten products: considering a scale on which 1 - I totally disagree and 7 - I totally agree. *

- I am consistent in my consumption decisions.
- I have trouble finding environmentally friendly Worten products
- Whenever possible I choose a green product over a regular one.
- I am willing to pay more for eco-friendly products.
- Green products are as good as others with identical features.

Section D1 - Are you familiar with the Worten green campaigns?

Worten promotes, within its business area, several sustainability initiatives which, on the one hand, try to reduce its ecological footprint in the world and, on the other hand, aim to contribute to the greater well-being of the Portuguese.

11- Which of the following Worten environmental initiatives do you know or have heard of? *

- Efficient exchange (Worten Forest)
- Energy efficiency campaign
- Worten transforms
- Environmental certifications (shops)
- Plastics Awareness Campaign
- I don't know any of the above

12- Have you ever participated in any? *

- Yes
- No

13- Which ones? *

- Efficient exchange (Worten Forest)
- Energy efficiency
- Plastics Awareness Campaign
- Worten transforms

14- Where did you see them advertised or learn about them? *

- Recommendation from another person
- In the shop
- TV
- Radio
- Brochure
- Billboards
- SMS
- E-mail
- Social Networks
- Online advertising
- Worten website
- Through Influencers

Section D2 - Communication channels

15- Which channels of communication do you use and attract your attention the most? (Select 2)

- TV
- Radio
- Internet
- Newspapers/magazines
- Billboards

16- Which digital communication channels do you prefer or use most frequently?

- Instagram
- Facebook
- LinkedIn
- YouTube
- Twitter
- E-mail
- Newsletters
- Forums and blogs

Section E - Let's get to know them better in just 2 min!

Worten Transforms



Worten has this campaign in place all year round but strengthens it when necessary as during the pandemic!



Energy Efficiency Campaign (Only 20 seconds!) (Video)

Efficient Exchange (Worten Forest)



The aim of this campaign is to build the Worten Forest in Oliveira do Hospital!



Section E1 - What did you think of these campaigns?

17- Sort them by level of interest. (1 - Highest preference; 3- Lowest preference)*

- Worten Transforms
- Efficient Exchange (Worten Forest)
- Energy Efficiency Campaign

18- Select 3 of the following attributes that you give most importance to in these campaigns. *

- Economic and/or energy savings
- Social contribution
- Environmental concern
- Identification with the cause

- Creativity
- Circular economy (reducing waste to a minimum in the life cycle of a product)

Section E2 - We are almost finished!

Still on these campaigns...

Efficient Exchange (Worten Forest)



19- Now that you got to know the main Worten environmental initiatives, what is your opinion about this brand?

*

- Worten is not green
- Worten could be greener
- Worten being green is indifferent to me
- Worten meets my expectations as a green brand
- Worten is greener than I imagined

20- Please indicate your level of agreement with the following statements. Considering a scale where 1 - I totally disagree and 7 - I totally agree. *

- I wish to participate in these campaigns in the future.
- I identify more with the brand now.
- I believe in the content and results of these campaigns.
- I would like to see new and different Worten campaigns on social and environmental responsibility.
- I consider it relevant that the campaigns mark specific moments (e.g. Christmas, Tree Day).

21- Would you recommend these campaigns to friends, acquaintances and/or relatives? *

- 1 - Unlikely
- 2
- 3
- 4
- 5 - Very likely

22- What is most important in a campaign? *

- Environmental Responsibility
- Social Responsibility
- I feel more motivated when it benefits both
- Regardless

23- How does it feel to know that you are buying from a brand that cares about the environment in this way? *

- Pride
- Distrust
- Fulfilment
- Indifference
- Satisfaction
- Contempt

Section E3 - Finally... Green Marketing!

Green Marketing is defined as the development and marketing of products designed to minimise negative effects on the physical environment or improve their quality

Worten Transforms Christmas



24- Please indicate your level of agreement with the following statements. Considering a scale where 1 - I totally disagree and 7 - I totally agree. *

- I don't identify with the environmental messages Worten sends.
- At Worten, social responsibility is very much associated with the environment.
- I find the way Worten presents green campaigns and products appealing.
- I think that green marketing practices positively affect my brand perception.

25- Select the 3 attributes you value most in Worten's green communication. *

- The sustainable design of green products (example: how products are packed and shipped)
- The coherence and transparency of the environmental message
- Environmental certifications
- Intentional price (a fair price not inflated just because it is a green product)
- Contribution to circular economy
- Appealing communication and design
- Sensitivity and identification with the cause of the initiative

26- Select 3 measures you would like to see more or better at Worten in terms of environmental concern. *

- + Environmental campaigns and initiatives
- + Communication on these initiatives
- + Information on these initiatives and their results

- + Highlight of green products in the shop
- + Incentives to buy green products
- + Social Responsibility
- + Environmental partnerships
- + Offer upon Green products

Section F - Demographic Data

Sex *

- Female
- Male

Age *

- Under 18 years
- 18 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 65 years
- Over 65 years

Academic Qualifications *

- Basic education
- High School
- Bachelor's degree
- Postgraduate
- Master's Degree
- PhD or higher

Occupation *

- Student
- Worker Student
- Self-employed Person
- Employee
- Unemployed
- Domestic
- Retired
- Other.

Individual net monthly income *

- Up to 500€
- Between 501 and 1000
- Between 1001 and 1500
- Between 1501 and 2000
- Over 2000

Thank you for your cooperation!

Annex H: Marketest Reputation Index Ranking by Categories, Consumer Electronics Shops, Attributes and Worten

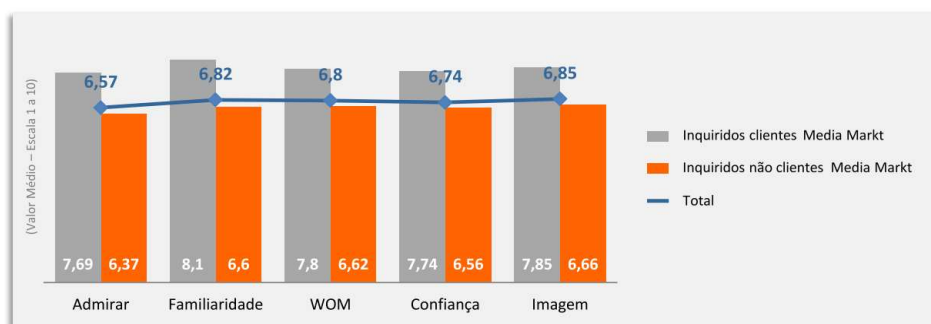
Source: Grupo Marketest (2019)

Ranking	Categorias	MRI 2019
1	Produtos Alimentares	78,48
2	Smartphones	72,55
3	Electrodomésticos	71,97
4	Automóveis	70,20
5	Televisores	68,85
6	Serviços de Streaming	67,44
7	Grande Distribuição	66,39
8	Lojas Electrónica Consumo	65,97
9	Utilities	65,21
10	Rádios	65,12
11	Laboratórios Farmacêuticos	64,85
12	Canais de televisão	61,67
13	Ópticas	60,42
14	Seguradoras	59,66
15	Operadores de Telecomunicações	59,27
16	Seguradoras Saúde	59,12
17	Agências Imobiliárias	57,17
18	Alarmes Residenciais	57,03
19	Manutenção Automóvel	53,43
20	Banca	53,27
21	Seguradoras Diretas	52,82
22	Canais de Televisão Desportivos	50,28
23	Banca Online	48,97
24	Entidades que concedem crédito ao consumo	48,58
25	Obras em casa	47,25

Categoria Lojas Electrónica Consumo	2017			2018			2019			Δ 2019/ 2018 (p.p.)
	Ranking Categoria	Ranking MRI	MRI	Ranking Categoria	Ranking MRI	MRI	Ranking Categoria	Ranking MRI	MRI	
FNAC	1º	27º	75,28	2º	24º	74,04	1º	25º	72,47	-1,56
Worten	2º	29º	74,81	1º	22º	74,36	2º	27º	71,99	-2,37
Media Markt	4º	72º	66,90	4º	59º	65,75	3º	56º	63,96	-1,79
Staples	3º	60º	68,32	3º	55º	66,71	4º	61º	63,48	-3,23
Radio Popular	5º	89º	64,10	5º	73º	64,07	5º	66º	62,28	-1,78
Box	6º	98º	62,98	6º	81º	62,96	6º	69º	61,62	-1,34
Índice Médio			68,73			67,98			65,97	-2,01

Categoria Lojas Elec. Consumo	Ranking Categoria	Ranking MRI	MRI	Admirar	Confiança	Imagem	Familiaridade	WOM
FNAC	1º	25º	72,47	69,56	72,22	73,33	74,56	72,67
Worten	2º	27º	71,99	70,67	71,56	72,11	76,33	71,33
Media Markt	3º	56º	63,96	61,89	63,78	65,00	64,67	64,44
Staples	4º	61º	63,48	60,89	63,33	64,22	65,11	63,44
Radio Popular	5º	66º	62,28	60,22	61,89	62,67	65,67	62,22
Box	6º	69º	61,62	59,89	61,78	62,44	60,11	62,00
Índice Médio	-	-	65,97	63,85	65,76	66,63	67,74	66,02

Lojas Electrónica Consumo	FNAC	Worten	Media Markt	Box	Staples	Radio Popular
Satisfação	8,17	7,90	7,78	7,79	7,72	7,59
NPS	33,6	25,1	18,7	17,8	13,7	10,4
Recomendação	8,24	7,95	7,85	7,79	7,79	7,58
NPS	35,2	26,4	21,5	18,2	16,6	11,7



Annex I: Worten's Sustainable Line of Action and Results

Source: Adapted from Sonae's Sustainable Report of 2019

<i>VÉRTIX</i>	<i>CATEGORY</i>	<i>SUB-CATEGORY</i>	<i>WORTEN'S ACTION AND RESULTS</i>
Better Planet	CO2 and Climate Change	Energy and emissions	Reducing 20% of its GHG emissions and increasing the amount of renewable energy produced in the same way. It is also committed as a group to reduce its GHG emissions by 54% by 2030.
	Nature and Biodiversity	Protecting and restoring nature	The contribute to the reforestation of the areas most affected by the fires in the Iberian Peninsula in 2017, Worten has committed to planting a tree for each customer who buys an A++ or A++ household appliance, and delivers a piece of end-of-life equipment in a shop (or collected from home). This initiative - Efficient Exchange - will allow around 16,000 trees to be planted in Portugal and Spain. 20,600 trees donated for planting by Sonae's portfolio of companies in 2019.
	Plastic	Reinforcing the principles of circularity	At Worten, UTRAD (Treatment of Depreciated Items Unit), in operating since 2005, embodies the principles underlying a circular economy model. It aims to recover items with small defects and faults for sale in Outlet, rather than being discarded as waste and sent for recycling. In the last 14 years, it has given new life to some 700,000 pieces of equipment. In 2019 it was possible to do this with 76% of the items sent to UTRAD.
Better Community	Inequalities and Inclusive Development	Fostering a Culture of Learning and Continuous Development	Leadership Paths - developed by Worten Academy, consists of on an adapted macro skills development program to the profile of the Head of Worten's shops. In 2019, it reached 286 shop managers.
	Community Support	Strengthening Partnerships with the Communities where it operates	The Worten Transforma programme has made it possible to collect 6,002 tonnes of e-waste which will be transformed into new equipment and donated to around 100 charities throughout the country.

Annex J: Worten's Environmental Programme

Source: Own according to the Interview, Sonae's Sustainability Report 2019; Worten's Website.

Initiatives	Description	Partners	Results
<p>Environmental Certifications</p>	<p>Several factors contribute to this process of certification of points of sale, including the continuous improvement of energy efficiency and waste management, with the establishment of green areas for the appropriate temporary storage of waste, such as cardboard, plastic, toners and the electrical and electronic equipment itself. Besides this environmental certificate, there are many other factors that reinforce the commitment to sustainability at the point of sale. For example, the fact that Worten uses 100% recycled wood in store furniture, or that they have reduced by 20% the use of metal in new stores.</p>	<p>The environmental certificate is awarded by the Portuguese association of certification. This certificate recognizes the adoption of an environmental management system that meets the requirements of ISO 14001.</p>	<p>In total, Worten has more than 20 environmentally certified stores. This is an important step Worten's commitment to offer all its customers a quality service that favors sustainability. Also, with their new lighting (LED), Worten saves electricity equivalent to the annual consumption of 500 Portuguese families.</p>
<p>Energy Efficiency Campaign</p>	<p>This campaign is launched annually and is one of the most sought after by the conscious. In this campaign, Worten gives greater discounts for ecological A++ or A+++ appliances and informs the customer explaining why they should invest in these appliances instead of others (environmental and energy savings).</p>	<p>Quercus (National Association of Nature Conservation) is a partner of Worten in this campaign sharing tips for the consumer and informing them which is the most efficient product that meets their needs to invest.</p>	<p>Increased sales of green products and increased customer awareness of the company's environmental protection and footprint Association with another campaign as a compliment Enhancement of the client's green behavior</p>
<p>Efficient exchange campaign/ Worten Forest (Troca-Eficiente)</p>	<p>"Recycling and energy saving with reforestation in mind". In this campaign, Worten plants a tree when buying an A++ or A+++ appliance and delivering the old equipment. The company takes responsibility for the collection of equipment to be correctly forwarded for recycling and to receive the appropriate treatment. This campaign was launched in 2018 and remains in force until now. The trees are being planted in Oliveira do</p>	<p>This action has the support of ERP Portugal - Waste Management Entity and the City Hall of Oliveira do Hospital.</p>	<p>Worten has planted over 16,000 trees. This campaign has a very strong environmental message with which the Portuguese know and identify themselves with. Reforestation of burnt areas, protecting nature, and helping the surrounding populations.</p>

	Hospital, one of the areas most affected by the fires of 2017, forming the Worten Forest.		
Worten Transforms (Worten Transforma)	<p>"Turn your old electrical equipment into a big help. We recycle and transform this help into new equipment for those who need it most".</p> <p>Worten Transforma has been the environmental and social responsibility program for over 10 years. In this campaign, Worten calls for the delivery of waste that customers that no longer use, are broken or obsolete, to a Worten store. In return, Worten correctly directs them to recycle and it also donates new equipment to charities across the country. This contributes to the circular economy that associating the social and environmental component.</p>	<p>European Recycling Platform; Donated Assets Bank (of Portugal); RFM (media partner)</p>	<p>It compensates for Worten's carbon footprint, since it is reducing the footprint that the equipment has made during its useful life, while giving them proper treatment. In this way, it avoids this environmentally harmful equipment being dumped in a landfill where it will contaminate the soil and minimize the environmental impact. Thus, these materials can be used to give a second life to old equipment. This campaign has mitigated the effects of the pandemic and has had very positive results: +58,000€ total donated +36,000€ for health +250 new equipment +70 supported entities +23,000€ for distance learning</p>
Plastics Awareness Campaign	<p>Worten is aware of the need to make a sustainable use of plastic and, for this reason, associated itself, to the campaign "Plastic is going around the world. Let's go around the plastic", in 2018. This campaign was launched by the Portuguese APED". As an environmentally responsible company, Worten has been adopting initiatives aimed at the sustainable use of plastic, seeking solutions that contribute to minimize its impact on society.</p>	<p>Portuguese Association of Distribution Companies (APED)</p>	<p>Worten considers that is essential to make a difference in this field and is setting an example. At the moment, in a phase of implementation in all its stores of bags made with 80% recycled plastic.</p>
DáVinte Code	<p>The DáVinte Code, for example, a solidarity project that Worten implemented from 2013 to 2019, and allows the Portuguese to contribute 20 cents or multiples of 20 cents to a selected solidarity institution, with Worten adding 20% to the total amount raised.</p>	<p>Radio Renascence, RFM and MegaHits, Association hearts with crown</p>	<p>From 2013 to 2019, the DáVinte Code allowed the donation of 895,000 euros to six Portuguese institutions: Terra dos Sonhos, Acreditar, Aldeias de Crianças SOS, Fundação do Gil, Portuguese Red Cross and, more recently, to Corações Com Coroa. In 2019, the result was the donation of 180,000€, an amount was converted in 34 annual scholarships for young girls that dream of going to university.</p>

Annex K: Worten's SWOT

Source: Own

	Strengths	Weaknesses
Internal	<ul style="list-style-type: none"> • Market leader and belonging to one of the largest national business groups. • Growth in turnover and online commerce. • Guaranteed minimum price and high investment in communication. • Leadership in proximity, familiarity, trust, and admiration categories. • Strong geographical coverage. • General brand recognition in Portugal. • Variety of products, with emphasis on technological innovations. • Own branded suppliers. • Specialized and knowledgeable services appropriated each client's profile. • Continuous investment in innovation and sustainability of the company and shops. • Strong and consistent environmental program with good results strongly linked to social responsibility. 	<ul style="list-style-type: none"> • Lack of green market research. • Difficulty for Worten to communicate its green efforts to the customer. • Firm' inability in engaging its customer through green campaigns. • Mismatch of green communication with current business reality. • Low variety of green products. • Possibility of sales peaks only with promotional campaigns (namely green products). • Dependence of players in the value chain to meet sustainable objectives.
External	Opportunities	Threats
	<ul style="list-style-type: none"> • Retail business growing, especially green products. • Increasing potential of e-commerce, digital marketing, and influence marketing. • Changes in Portuguese consumption habits adopting new rising trends such as smart shopping, confidence, and conscience. • Sustainability seen as a concern, priority and influencing factor in purchase intention at the younger age groups. • Growth in the number of green consumers and environmental concern focused on energy savings. • Consumers preference for physical shops when buying technological and green products. • Lack of green products with specifications desired by the consumer. • Consumers admiration for green brands. • Environmental concern and predisposition of Worten consumers to adopt green consumption behaviors and decisions. • Government pressure and incentives granted for brands to go green. • Increasing legislation towards environmental protection namely concerning e-waste. • Portugal failure to meet EU targets for e-waste recycling: Collapsing collection system. 	<ul style="list-style-type: none"> • Rising unemployment and falling of purchasing power. • Low average income of the population. • Pandemic context. • Greenwashing • Aging population. • Consumers are more demanding and informed. • Little environmental concern materialized in terms of consumption. • Market's dependence on technology and the value chain to achieve sustainable targets. • Inflated prices for green products • Very strong competitor first preferred by the consumer: FNAC. • Political volatility.

Annex L: Interview Content Analysis on The Influence of Green Marketing on the Worten Consumer; Source: Own

Category	Sub-Category	Objective (Registration Units)	Context Units
Green Brand	Information about the interviewees	(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.	<p>"My name is Diana, I'm responsible for the environment and sustainability at Worten and I've been on the team for about 3 years although I've been with the SONAE group longer."</p> <p>"Diana covers the entire area of environmental certifications of stores, recycling, among others".</p> <p>"(Alexandra) I am the institutional communications officer at Worten (Marketing Specialist) and I work at Worten for 14 years. At the moment I am in the Worten marketing and communication directorate and my functions are the public relations area; the internal communication area and social responsibility."</p>
	Sustainable Culture	(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.	<p>"Worten is part of the Sonae group, which in itself is a group that has always had sustainability at its root as an integrated philosophy, and has always been a strategic axis and an aspect that Belmiro (Sonae's CEO) has always defended within its group. This ultimately influences all of its brands."</p> <p>"Worten embraces all the guidelines sent by the group, but since it began to stand out more as an insignia in 2017, it began to define its own concerns and consolidate its positioning in the market as a sustainable company, and since then it has been increasing its individual and group performance."</p>
	Positioning & Corporate image and reputation	(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.	<p>"The issue of sustainability and green marketing ends up being a tool in terms of PR and positioning of the companies themselves, namely in terms of brand notoriety and credibility, which in essence, is to enhance what the brand has of positive".</p> <p>"Our shareholders are increasingly concerned that we must always position ourselves as an environmentally sustainable company and this is undoubtedly and increasingly an advantage in the market. It is something organic and natural that these entities want to associate with a company that defends environmental protection and sustainability as a basis and a trend that will certainly continue."</p>
Green Marketing	Environmental Program	(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.	<p>"The focus of our program is very much on environmental certifications."</p> <p>"Worten as a company is certified by the Sonae group in environment. It is a joint certification with other retail areas. However, there are also individual environmental certifications of some stores. We have around 40% of the Worten sales area certified". "There is also an environmentally certified warehouse and all the stores have an internal movement where all the good practices of the certified stores are being replicated in the others to promote and make the learning process organic and synchronized. The certifications raised environmental concerns in the teams, specifically in reducing energy consumption, which has the most significant impact on the company. More and more electrical equipment is connected in the store to improve the customer's experience; however, it is all in LED for example. There is always the concern and care to reduce and use these resources efficiently. In the last 10 years the stores have been collecting good practices with significant impact on their consumption and environmental</p>

		<p>marketing strategies and practices.</p> <p>(4) Identify the preferred channels and messages for green marketing communication used by the company and analyze which are more effective.</p> <p>(1) Realize the environmental concern and predisposition of the Worten customer for the adoption of green consumption behaviors and decisions.</p>	<p>performance so that we could compile all these measures and spread all this last year in a manual of good practices adopted by all Worten stores."</p> <p>"The Energy Efficiency Campaign is launched annually and is one of the most sought after by our customers. In this campaign, we try to give the biggest discounts to A++ and A+++ appliances and explain that although with a more expensive PVP in the medium and long term, the bill will be lower, both in terms of environmental savings and portfolio for the customer (electricity bill). Worten offers the customer the option of a less efficient and cheaper product, but always tries to highlight the more ecological products in a more attractive way for the customer, not only by giving them more discounts on the purchase of this equipment's, but also by reminding and informing them that they are making an investment. This pedagogical part of information is very important, but once again we are always dependent on the purchasing power of the customer."</p> <p>"Since 2018 we are building the Worten Forest, we decided to embrace this project in order to help one of the regions that suffered the most from the fires of 2017, Oliveira do Hospital, which was left with 97% of the burned council area. Worten is reforesting one of these areas that we named the Worten Forest. We currently have a campaign, Efficient exchange campaign (Troca Eficiente), which we associate with Worten's energy efficiency campaign: in the purchase of a more efficient A++ or A+++ appliance and the delivery of a waste electronic appliance for recycling, we plant a tree, until now we have already planted more than 16 000 trees".</p> <p>"It has a very strong environmental message because it is an initiative with which the Portuguese know and identify a lot, once they can contribute directly to this cause. This issue of fires is a scourge that tells people a lot and has a very direct impact".</p> <p>"Worten Transforma (Worten Transforms), is our environmental and social responsibility program for over 10 years. It is a program that calls for the delivery of e-waste that customers no longer use, are broken or obsolete, to a Worten store. In return, we send this waste correctly for recycling through our partner (RP Portugal), and we also donate new equipment to charities across the country."</p> <p>"It is a project totally focused on the circular economy that associates the social and environmental component, since we recycle old equipment and equip hundreds of institutions annually with new equipment that will contribute to a better quality of life and well-being of the users that these institutions support. It is a project that has a lot to do with us, very well-articulated and well thought out and works as our core. In summary what we say is: this waste is harmful, do not put it in the nearest dump, but deliver it to one of our 190 stores throughout the country, and we take charge of correctly forward it for recycling and, and at the same time, you will be contributing so that we Worten, can help those who need it the most".</p> <p>"This ends up compensating a lot our carbon footprint, once we are reducing the footprint the equipment's have made during their useful life, as well as giving them the adequate treatment. This way, we avoid that the equipment harmful to the environment is dumped in a landfill where it will contaminate the soil and we minimize the environmental impact. Consequently, these materials can be used to give a second life to new equipment".</p>
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		<p>(4) Identify the preferred channels and messages for green marketing communication used by the company and analyse which are more effective.</p> <p>(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.</p>	<p>"It is understood as the process that brands use to promote a product or service based on its benefits to the environment. This can be eco-friendly in itself or be produced in an environmentally friendly way".</p> <p>"This kind of campaigns with social and environmental messages almost end up communicating to themselves, that is, we invest in a media plan but the Portuguese who, as they are very aware of this kind of issues, end up being almost easy to pass on the message and make them adhere".</p> <p>"The better the message is wrapped up in the most appealing way possible, in terms of return we notice that adhesion is greater".</p> <p>"Every year we have a very coherent plan that we re-launch improved every year and with a new image. We only launch campaigns and projects that make sense to both the Worten and the customer".</p> <p>"Marketing to work, has to be very well thought out and coherent, has to come from the insights of people and consumers, but it can't be without being part of the core and DNA of the company".</p> <p>"The biggest advantage of GM is to contribute clearly to the image and reputation of the company in a positive way, which can be the purpose of a brand. The company itself benefits internally, turning off the light when it leaves the office, for example, reduces costs and benefits the company's own profitability and performance".</p> <p>"Worten has a very strong point which is the fact that it has many stores, from those belonging to large stores to very local small stores. This geographical coverage helps a lot in terms of communication and allows us to have a proximity to all Portuguese. A few years ago, we had the claim, the technology is at a Worten's distance, because we went out on the street and found a Worten, this works very well for our campaigns. For example, the Worten forest, for the people affected by the fires, makes all the difference, it ends up being a proximity that in terms of social responsibility has to be guaranteed, social responsibility away from the people is not as effective. At Worten, we not only support institutions in Lisbon and Porto, we support institutions from the island of Madeira to the smallest localities, because we are committed to reaching out to all Portuguese and it is not something we take lightly, we make a point of putting it into practice. As long as we only focus on one niche, it's very unrepresentative, you have to reach everyone to really make a difference, only then your message starts to bear fruit.</p> <p>"The choice of environmental messages and the proximity that exists between the company and the client is really Worten's strongest point".</p>
Green Consumer	Research Context	(1) Realize the environmental	<p>"Does a more informed and demanding consumer make more environmentally conscious decisions? I would say yes. We don't have these studies in concrete in relation to the Worten consumer. Here your script even raised us questions that we had never asked ourselves. I think it's great and we really look forward to read your conclusions, because we really don't have this concrete study".</p> <p>"Diana, I've already explained to Beatriz that we don't have concrete studies, however, I also tried to know with the market research team if we really had something specific in terms of Worten consumer and in fact we don't have. Beatriz has already promised that afterwards she will share the conclusions with us and solve this question that certainly will help us and add an excellent contribution to our portfolio".</p>

	<p>Green Portuguese Consumer</p>	<p>concern and predisposition of the Worten customer for the adoption of green consumption behaviors and decisions.</p>	<p>"Most Portuguese have developed an environmental awareness and concern for some time, although these have become more pressing in the last 2/3 years. Ten years ago, these concerns did not have the impact on consumption as they do today, only a few years ago it began to be decisive. Today, whether a product or service is eco-friendly or not can somehow unblock or block a potential sale."</p> <p>"This change in consumption behavior is largely because the environment has become a global issue, I would even say mainstream. The protagonist and intervention of personalities such as Greta Thunberg have had a great influence in raising awareness on this problem".</p> <p>"The Portuguese consumer is very attentive and more conscious when it comes to consumer decisions".</p> <p>"The majority of the Portuguese are well-intentioned and are starting to be more and more dedicated in adopting good practices and among the question of the type of products they buy once they are more informed and aware".</p>
	<p>Green Worten Consumer</p>		<p>"I think people who adhere to these kinds of products and services do them in a very conscious and coherent way."</p> <p>"He is a thoughtful consumer who, above it all tries to adopt a pro-environmental lifestyle whenever possible in order to realize his environmental concern."</p> <p>"Along the time the consumer stopped having only the environmental concern and this started to materialize in the form of consumption in the last $\frac{3}{4}$ years."</p> <p>"When a consumer makes a choice, he already has in his mindset that the greater the efficiency of an equipment the more he will save in the future. This is already very intrinsic in him and energy efficiency is an example where this behavior is most expressed".</p> <p>"In the end, we have the work facilitated by the mindset of the customers themselves who are always very receptive to this type of initiatives".</p>
	<p>Barriers for green purchase</p>	<p>(2) Identify the influencing factors and barriers for green purchasing decisions.</p>	<p>"In light of Portugal, I think the price for the Portuguese is still a blocker or inhibitor when it comes to choosing a green product. We cannot escape reality the Portuguese have a low average monthly income that doesn't allow them to invest in what would probably be their first choice in terms of environmental awareness but is more expensive. However, I think that even with this reality in the last 2/3 years there is a greater willingness of the Portuguese to pay a higher price for a green product or service. It will always depend a lot on the purchasing power of the consumer in question."</p>
	<p>Influencing factor for green purchase</p>		<p>"The Portuguese consumer is more likely to buy a green product if he sees that there is an energy saving in the medium-long term, that means economic savings at the end of the month."</p> <p>"Green products sales increase when we associate these products with campaigns such as the efficient exchange or energy efficiency campaign (promotions)."</p> <p>"(...) the price, the social classes with higher purchasing power are more available to pay for this type of green products."</p> <p>"The customer's age group, the younger generations are much more willing to make this financial effort for a more ecological product. I recently read a study that states that 90% of millennials are willing to pay more for this type of products."</p>

			<p>"What I think is inevitable it is first, is a predisposition and mindset for the message of sustainability."</p> <p>"(...) wrapping all these products and communicating them in a very appealing way, makes the customer think about a green product or service in another way, and gives him some time of attention to consider his buying decision."</p> <p>"Although it is in fashion, I don't consider it an influencing factor. I do not think it's something related to appearances, but to lifestyle. So, it ends up not having an impact in terms of consumption of this kind of products and services."</p> <p>"We continue to use TV a lot for the mass market, which is what continues to make some sense to us in terms of campaigns for this kind of products and services."</p> <p>"Besides digital and TV, we use radio, billboards, point of sale and brochure."</p> <p>"The brochure we use a lot to support the energy efficiency campaign and we do it in partnership with Quercus (National Association of Nature Conservation), sharing tips to the consumer and informing him which is the most efficient product that meets his needs and should invest. We take care to give practical advice and even do the math so that the customer knows that the most ecological equipment is, in fact, his best option."</p> <p>"We try to use a multiplicity of channels, but really the most relevant and effective is TV (but sometimes there is no budget for it) and digital through our networks and influencers."</p>
	<p>Communication channels for green products or services</p> <p><i>Above the line</i></p>		<p>"But more and better we use the digital channels, that is, we have been realizing for some time that the clients are online and we privilege those channels for that very reason, which is where they are".</p> <p>"When I talk about digital, I mean social networks, Facebook, LinkedIn, very much our website, which currently with the issue of covid is our largest store today, and all online in general."</p> <p>"The Internet continues to be a primary channel that we cannot forget in terms of communication".</p> <p>"Digital influencers have a great power of virility in terms of message and are currently a communication tool widely used by brands and obviously Worten is no exception, through that, we have been gaining some potential for public relations and notoriety".</p> <p>"Catarina Barreiras, is an influencer with whom we have already worked and will now work within Worten Transforma, whose instagram is totally dedicated to sustainability and the adoption of a lifestyle rested on minimizing waste consumption."</p> <p>"This sector is really something that we cannot despise or minimize. It is an extremely important tool in terms of communication and public relations."</p>
<p>Green Communication</p>	<p>Communication channels for green products or services</p> <p>The Digital</p> <p><i>Through the line (TTL)</i></p>	<p>(4) Identify the preferred channels and messages for green marketing communication used by the company and analyze which are more effective.</p>	<p>"We try to mark the days when we have a direct impact on our activity. Such as the recycling day, the environment day or the tree day".</p> <p>"It's already the 3rd year of the initiative, Efficient exchange campaign (Troca Eficiente), and it will coincide with the environment day. We associated the energy efficiency campaign with the efficient exchange because we decided to find a way to celebrate the environment day. The campaign has always coincided with this date".</p> <p>"In terms of program and brand, in fact social responsibility is very much linked to the environment (...) it is a project of environmental and social responsibility".</p>
	<p>Green Messages</p>		

			<p>"The various social responsibility initiatives help this identification with the environmental message we intend to convey, as they contribute to strengthening Worten's connection with the Portuguese, reinforcing the brand's notoriety and proximity".</p> <p>"At Worten, our biggest environmental impact is our energy consumption, i.e. we cannot consider ourselves 100% sustainable because the energy we buy today in Portugal is not 100% green either. Therefore, we are not all at the same level in this value chain, no matter how much Worten wants to be a 100% sustainable company, and we are moving towards this direction, we are very dependent on other players who work with us. We do influence other parties involved, but they also must work in this direction. The production of energy in Portugal and green energy must keep up with this growth. EDP has already positioned itself and says that by 2025 there will be no more thermoelectric plants. In relation to transport, for example, there are electric cars, but an electric truck is not viable because it does not have the same performance as a diesel one today. In short, this development also must happen so that our entire value chain can also help us to be 100% sustainable and this depends not only on us, but on the evolution of the world. This risk corresponds to our main challenge. Dependence on others conditions us in the fulfillment of our green objectives and goals".</p> <p>"Finding our way in a very coherent way and avoiding the question of saying that we are something we are not is another challenge. Worten has done very well in this respect, because although it has a long way to go, it has always done so in a gradual, very solid, and coherent way. Companies must be aware of the stage they are at in sustainability and take on from there, that is, know that there is a lot to do, but what they do, do it well and in a coherent way. The consumer is changing, and good sustainable practices are very much on the agenda, this can cause the temptation to "take a bigger step than the leg" and result in what we call greenwashing. In terms of image and reputation, not only is the company affected, but so are all the others who make this environmental effort. Any contradictory attitude on the part of a company is a "shot in the foot". In the area of sustainability, it turns out to be something even more delicate because the consumer is more attentive, concerned and really wants to have the perception of the companies that are really more sustainable."</p> <p>"The purchasing power, already mentioned, is another obstacle that I hope will be attenuated in the future".</p>
<p style="text-align: center;">Green Future</p>	<p style="text-align: center;">Risks and Challenges</p>	<p>(5) Understand how Worten communicates its green efforts and evaluates the success of its green marketing strategies and practices.</p> <p>(6) Analyze and predict the future of the brand in terms of GM and consequently suggest improvements.</p>	<p>"The future is green and that's where we are heading. If 20 years ago this was not even on the company's radar, it was not a subject, nor did it have this dimension, today, it is something that if not present in a company, they better start developing in this sense because it is the future, there is nowhere to run. The market is becoming greener and companies must follow this trend."</p> <p>"About the future, I am optimistic. This kind of goods will be part of the portfolio of most brands, and probably express boosting consumer demand in general, which in turn will lower prices and create a greater opportunity to increase this green consumption. This is due to the trend that I believe will perpetuate over time, which is the massification and easier access of these green products for the Portuguese regardless of their purchasing power."</p>
	<p style="text-align: center;">The future of sustainability, green marketing, and the brand</p> <p style="text-align: center;">Worten Always</p>	<p>(6) Analyze and predict the future of the brand in terms of GM and consequently suggest improvements.</p>	

Annex M: Survey' Respondents Demographic Data

Source: Own

