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Diploma Thesis - Abstract

ANALYSIS OF GREEN MARKETING IN RUSSIAN LARGE  
INTERPRISES: A CASE STUDY OF COMPANY VKUSVILL

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## **Abstract**

This research examines the components of green marketing practice implemented in company VkusVill, which represents a chain of health food stores.

The main objective of this work is analysis of company VkusVill from the perspective of green marketing and consequent proposals for its improvement.

Research survey and official company's data are used for the purposes of current research. Similarly, there were implemented relevant practical instruments (matrix McKinsey / General Electric, PSM) for evaluation of different aspects of company's activities. In particular, marketing study included analysis of consumers, competitors and marketing mix. Based on information received from the analysis, it was revealed that VkusVill has certain shortcomings in their marketing approach. On the ground academic information provided in literature review and existing green marketing practice, study gives recommendations concerning improvement of company's green marketing strategy.

**Key words:** Green marketing, Marketing mix, Consumer behavior, Green consumers, Segmentation, Ecolabelling, Survey, Moscow Oblast

## **Objectives**

Theoretical part aims to provide detailed literature review about green marketing and consumer behavior in terms of green market.

The purpose of practical part is analysis of company VkusVill within the framework of its green marketing policy and consequent proposals for its improvement.

Research questions:

- 1) What are main consumer in green market of Moscow Oblast?
- 2) Is VkusVill competitive enough in green market of Moscow Oblast?
- 3) Is marketing of VkusVill in accordance with existing green marketing theory?
- 4) How to improve green marketing strategies for VkusVill?

## **Methodology**

In order to achieve desired objectives, from methodological point of view the dissertation is divided on two parts: theoretical and practical.

In theoretical part will be presented and analyze all the aspects of green marketing and consumer behavior found in academic literature. In the first part will consistently be considered attributes of green marketing: its emergence and evolution, objectives, definitions, principles (5 I's, rules), green marketing mix, existing problems (myopia, greenwashing) and further related topics (such as ecolabelling). In the end of theoretical part will be explored consumer behavior on green market and given general overview of green consumers.

The practical part will consist of four chapters and be based on data received from survey research, internet analytics and company's official sources. The data of survey research will be received from a questionnaire that consumers could fill in on Google Forms and in health food stores.

The first chapter will provide general overview about VkusVill company, including its historical development, mission, values and principles. The second chapter will cover

consumer study of green market in Moscow Oblast (sex, age group, food preferences, weekly expenditures, etc.) with aim to identify main consumers segments. The third chapter will analyze competitive environment of Moscow Oblast green market in order to define competitiveness of VkusVill within its market sector. The fourth chapter will be dedicated to state of VkusVill marketing mix with specific focus on every component in terms of 4 P's model (Product mix, Price mix, Place mix, Promotion mix). At the same time, based on company's values, principles and marketing mix studies can be given a conclusion regarding accordance between VkusVill marketing practice and existing green marketing theory.

Lastly, on the ground of theoretical knowledge provided in literature review and results, which were received in practical part, will be constructed SWOT analysis and made some strategic recommendations in the field of green marketing that would make VkusVill greener, more sustainable and effective.

## **Results**

After detailed research of aspects connected with the company and comprehensive research in practical part it is possible to answer research questions.

### 1) What are main consumer segments in green market of Moscow Oblast?

There were found three main segments:

- People, who have a general idea about advantages of ecological products.
- Allergic individuals
- Eco-parents

Additionally, matrix McKinsey / General Electric demonstrated that the first segment is the best for further expansion.

### 2) Is VkusVill competitive enough in green market of Moscow Oblast?

VkusVill has only two direct competitors (LavkaLavka and Fresh), however it is competitive enough from the angle of quality and recognition among the consumers.

### 3) Is marketing of VkusVill in accordance with existing green marketing theory?

Generally, declarations of the company, which were found in its mission, values and principles are in accordance with green marketing principles described in the literature review chapters. However, there are certain shortcomings in product, price and promotion mixes that should be improved. At the same time, study did not find any problems in place mix. Absence of ecolabelling, similarly can be seen as problem that contradicts green marketing theory, nevertheless this problem is mostly connected with Russian legislation. Essentially, these shortcomings in marketing mix are not critical and do not mean that VkusVill neglects by green marketing theory.

#### 4) How to improve green marketing strategies for VkusVill?

In the chapter dedicated to strategic recommendations, the measures for improvement were described in details. In general terms, the most important recommendation for the company is introduction of internal ecolabelling that would attribute VkusVill goods. The second important recommendation is revising green marketing mix towards improvement of product, price and promotion mixes. Thirdly, the company should attempt to penetrate in international market of green products, mostly it concerns opening shops in large cities of post-soviet countries where is similar consumer behavior and that close culturally (Belarus, Kazakhstan or Kyrgyzstan). Lastly, VkusVill needs to attract new consumer segment through new created and targeted promotion activities.

### **Conclusion**

In spite of the fact that Russian understanding of green marketing is mostly limited by the boundaries of Moscow Oblast, enterprise in this country has not remained indifferent towards this progressive marketing approach. An example of such enterprise can be Russian company VkusVill that is supposed to be one of the pioneers of green marketing in Moscow and its surroundings.

Overall, it is possible to say that in spite of having certain problems and shortcomings connected with green marketing practice, the company VkusVill certainly remains one of the best examples of socially responsible company in Russia and tries to satisfy all stakeholders involved.

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