

CONSUMER BEHAVIOUR IN GREEN MARKETING: 4OCEAN'S BUSINESS MODEL

José Luis Vázquez Burguete
Ana Lanero Carrizo
University of León (Spain)

Marina Simoncelli
Giorgio Tammetta
Daniel Láiz Suarez

Resumen:

4Ocean es una empresa que fabrica sus productos con plástico reciclado. Ellos realizan tareas de limpieza de costas y océanos; fabrican pulseras y otros productos similares con el plástico reciclado que recogen. En este documento se analizan 4Ocean y su marketing verde; después se habla de las acciones que realiza 4Ocean. En las conclusiones se menciona cómo otras empresas similares han empezado a usar marketing verde y otras acciones de esta corriente.

Abstract:

4Ocean is a company that makes its products with recycled plastic. They are engaged in cleaning oceans and coastlines; they produce bracelets and other products with recycled garbage they collect. In this document it's analyzed 4Ocean and its green marketing; then There is a clear discussion about the actions of 4Ocean. In the conclusion there are mentioned also other similar businesses which started to use green marketing and the trends related.

1. Introduction

In 2015, two US guys Alex Schulze and Andrew Cooper, during a trip in Bali, Indonesia, found the beaches covered by plastic with trash-filled waves. They asked a lifeguard the reasons why the coastlines weren't cleaned and he answered that they cleaned each morning but then more and more trash come with the tide throughout the day. Schulze and Cooper knew that Indonesia is second only to China among the world's biggest polluters. Immediately, they started working together with locals began to clean the coastline from the amount of garbage accumulated. This led them to start a business, trying to make the biggest impact on this global problem.

While Schulze and Cooper were surfing, they saw some Balinese fisherman navigate their boats around masses of floating plastic and pull up fishing nets full of with plastic bottles and trash. The fishermen simply thrown back in the water all of the rubbish, everything but the fish. Therefore, Cooper asked the fisherman: *"How come you guys aren't taking this plastic back and recycling it? You're just throwing it back in the water where it doesn't belong."* He simply answered: *"Well, we don't get paid to pick up plastic, we get paid to pick up fish."*

During this trip they realized how huge and harmful the ocean plastic crisis was, so they decide to create a for profit company called "4Ocean": it's engaged in the sale of bracelets and water bottles made from 100% recycled materials. With the profits earned, the company takes care of cleaning the coasts and oceans, removing plastic and garbage (see Figure 1). Also, as 4Ocean's mission says, this small company tries to *"stop the inflow of plastic by changing consumption habits"*.

According to Alex Schulze and Andrew Cooper (2017), *"our work won't be done until we can walk along our beaches - in Bali, in Haiti, in Florida, and around the world — and see nothing but warm sand and rolling waves"*.

4Ocean is a purpose-driven business, it wants to give a hand in solving the plastic crisis in the oceans. In the future, they're planning to increase commercial solutions like the re-selling of what they collect on the beaches, and cooperation with governments and industries. This business model aims to be a global inspiration. The company sells each bracelet for \$20 (see Figure 2) promising that the money earned from each purchase will fund the removal of one pound of trash.

Figure 1. 4Ocean's purpose



Source: [<http://4ocean.com/about/>], as available at 05/10/2019.

2. Case development: On green consumer behaviour

During last decades, green marketers believed that people worried about the environment because they felt the planet was "suffering" – and their communications reflected this thought. But today's marketers began to realize that consumers really fear the planet is losing its ability to sustain human life; they worry about their own current health, and that of their children. That's why health-related issues such as water quality, hazardous waste and air pollution, water availability, global warming, and overpopulation top the list of environmental concerns consumers feel most as problem to remedy.

Figure 2. 4Ocean's bracelet

Source: [<http://twitter.com/4ocean/>], as available at 05/10/2019.

Nowadays in the world is spreading the idea of saving something, from a drop of water to a tree. The behaviour of populations reflects its values, and “sustainability” –caring for nature and the planet and people who live here now and in the future– is now a main value of every living generation, starting with the Baby Boomers who led the green charge back in the mid to late 1960s. As important as Baby Boomers are to environmental activism as the nation’s primary household shoppers and societal leaders, the potential impact to be made by the Internet-savvy Generations X, Y, and Z may be the most significant yet. With every generation now having sustainable values, environmentally considerate behaviour is becoming the norm: they turn off the lights, nudge the thermometer down a degree or two, and turn off the tap when brushing their teeth.

So the uses are changing, and shopping lists along with them. An overwhelming majority of shoppers are now buying green products from time to time, fuelling mass markets for clothing made from organically grown fibers; organically produced foods; cold-water and ultra-concentrated detergents; natural cleaning, personal-care, and so on. Consumers demand more and more for greener products and services, creating opportunities for businesses to promote their greener offerings, and introduce profitable new ones, all the while building their top-line sales, enhancing their image, and bolstering the morale of employees newly engaged in a higher purpose.

Some studies indicate that consumers are willing to pay a premium for green. However, empirical evidence is demanded by sceptical businesspeople to justify the investments in new technology, special materials or ingredients, and high start-up costs of introducing new greener products. There is a key new rule of green marketing: people will now pay a premium indicating that today’s consumers have higher expectations for the products they buy and that environmental soundness is a new dimension of quality.

To the extent that businesses can meet or exceed these new consumer expectations, they will enhance their products’ image and ability to increase a premium. We are expecting that in the future this trend will continue to propel the mass market for eco-inspired products in the years and decades ahead. News about the environment is expected to worsen and so the interest of consumer to improve their effort in helping the world, even just buying a sustainable product, increase. Businesses deal with myriad of stakeholders, including customers, investors, and employees; so industry leaders that are sensitized to the new rules are greening up their products and processes. Is emerging the fact that projecting a company’s image as a leader and an innovator, as well as being socially and environmentally aware, can only be positive.

Influential customers want to do business with companies that have established their green credentials, so companies are using Green Marketing with web campaigns, publishing extensively documented sustainability reports, cooperating with external sources to communicate transparently, and communicating their efforts internally. Studies of green consumer behaviour, in particular purchasing and disposal, have largely focused on demographics and/or socio-demographics, with mixed and frequently contradictory results.

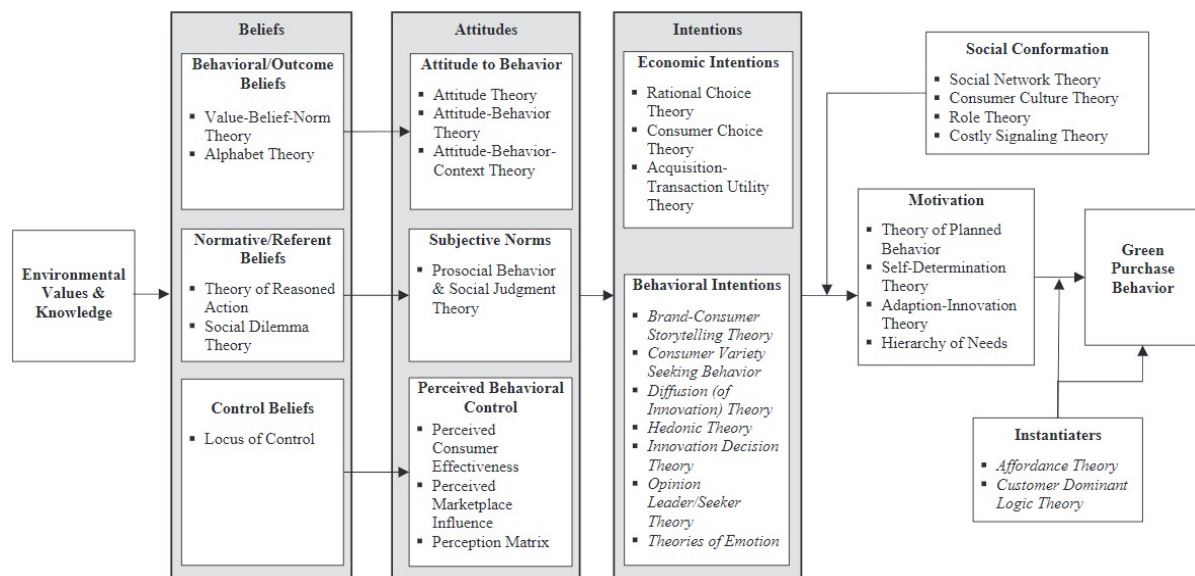
Consumer response to green marketing efforts has fallen short of marketers' expectations (Davis, 1993). However, this recent emphasis on environmental concerns has renewed interest in what we mean for environmental marketing. Environmental marketing, more popularly known as green marketing or sustainable marketing can be defined as the effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection (Polonsky, 2011). The growth of green marketing and green consumer is "perhaps the biggest opportunity for enterprise and invention the industrial world has ever seen" (Cairncross, 1992: 177).

But by what is defined a "green consumer"? A green consumer can be identified to be one who avoids any product which may harm damage to any living organism, cause deterioration of the environment during process of manufacturing or during process of usage, consume a large amount of non-renewable energy, involves unethical testing on animals or human subjects (Elkington, 1994).

There have been a number of different factors which are instrumental in promoting green consumers to purchase green products. Many research over the years identify that higher awareness of green issues; increased level of information availability on environmental sustenance; green advertising by corporations; increased concern for the environment; increase in popularity of green products by social and environmental charities as some factors. This overwhelming increase in the overall environmental consciousness among different consumer profile there have been efforts undertaken by firms to "go green" by presenting the concept of corporate environmentalism (Banerjee, 2003; Hay and Lichter, 2000).

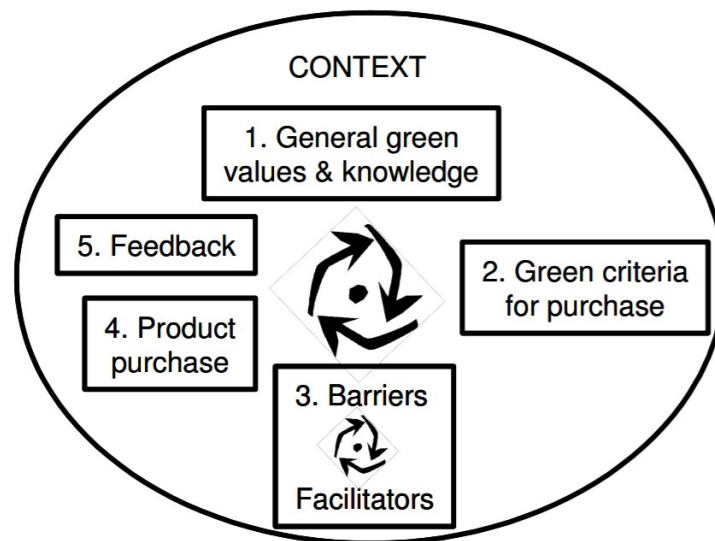
Environmental attitude is identified as the judgment an individual has towards the protection and promotion of the environment. A study on perception of environmental risks by (Bord and O'Connor, 1997) revealed that women were more perceptible to the risks involved in global warming and other related hazardous wastes when compared to the males. Furthermore, the study found that women were more worried about the various negative impacts that global warming could have on their health or their family's health. Green marketing is done by businesses to increase awareness levels and to show that people worried about the environment can do something to solve some issues.

Figure 3 shows a relation between green marketing and green consumer factors that led to purchase a product considered helpful for the environment, among these we can highlight the values and the influence from the outside.

Figure 3. General framework of green marketing and green consumerism theoretical relationships

Source: Groening et al. (2018).

Finally, Figure 4 summarizes the process of purchasing of green consumers.

Figure 4. Green consumer purchasing model

Source: Young et al. (2010).

4Ocean is one of the enterprise that is part of this trend of green marketing and great example of the rise of a business thanks to its belief, creating a community of consumers that represent themselves with the mission and value of 4Ocean. In this case consumer perception is to buy something that it's not a mere product but the purchase involves also the feeling of doing something good to be proud of. In Figure 5 we can see how this company tracks the amount of pounds of trash has been removed from the ocean and the coastlines, thanks to all the customers 4Ocean has since 2017.

4Ocean operates by investing in people, technology and equipment: as their webpage says, they hire captains and create teams to recover harmful marine debris and ocean plastic. Moreover, they also design and invest in equipment that collects plastic and other accumulated trash from streams so they can't enter the ocean. 4Ocean's clean-up crews operate in three main spots: Florida, Haiti and Bali, even though they also have a work base in Texas, as it's shown in Figure 6.

Figure 5. 4Ocean's TrashTracker

Source: [<http://4ocean.com/cleanups/>], as available at 05/10/2019.

Figure 6. 4Ocean's global team

Source: [<http://4ocean.com/cleanups/>], as available at 05/10/2019.

3. Questions for discussion:

Question 1. *Is 4Ocean a legitimate business? Does 4Ocean really clean the ocean?*

4Ocean is a legitimate company. It makes sure its funding goes to their claim of cleaning trash from oceans. This company isn't a non-profit charity, but a lot of people have been asking questions about how to find out if a charity is the real deal. Moreover, 4Ocean states that it uses funds from the sale of bracelets to support their efforts to remove trash from the ocean. The company's clean-up operation team are conducted internationally and headquartered out of Boca Raton, Florida.

Question 2. *How could 4Ocean improve its business? Who is the major target?*

The company could improve its business by widening its target, for instance, selling other kind of recycled accessories. Therefore, it could start its business in different countries, or it could take care also of different types of pollution. Of course the most important client for 4Ocean is the green consumer who is interest in recycling and taking part of this project related to the ocean. A substantial part of the overall target is made of stakeholders. Communicating a company's embrace of sustainability can enhance corporate equity since investors seek to reduce risk and many "socially responsible" investors want to align their values with their savings. Recognizing the opportunity, more and more companies are communicating their green mission and progress.

Question 3. *What's the consumer behaviour respond to this pollution crisis?*

With the plastic crisis awoken in 2017, society as a whole is desperate to take actions. Many consumers are facing with difficult choices and an overload of information on what to do, leaving only governments and large corporations responsible to drive change. This already happened with other pressing environmental threats, such as the climate change and agricultural deforestation: leaving it up to governments and corporations only postpones the solutions to the threat. Others are left thinking that passing on plastics, recycling and cleaning coastlines are the only ways they can solve this situation. Roughly 50% of plastic is

only used once but only 9% of this is sent for recycling; the rest ends up in landfill or in incinerators, or in the worst cases it goes into the ocean. Society needs to end its dependence on all single use plastics, as well as consumers, producers and governments should push the ban on single use plastics worldwide. By doing this we can avoid thrashing landfills and oceans with this material that is not biodegradable and it's able to cause so much harm to our environment. The so called "*#plasticattack movement*" has already pushed several supermarkets to adopt some plastic free aisles, which proves that consumer behaviour matters.

4. Conclusions

To sum up, this case highlights the purchasing power of all consumers: they can change trend of products sold by companies, especially multinational ones. 4Ocean is the result of a different attitude of people towards new global problems of the society. The secret of success in businesses is always to listen to customers and their needs because nowadays are becoming more complex than just a product but includes ideas and values. They are applying the so-called Green Marketing and it is part of a wave made of companies that try to help the world with their products. That is possible by creating a community-base of consumers that can feel their action of purchasing as a little contribute that can matter.

Namely, the success of 4Ocean is proved by the results of these 2 years:

- In the edition of the "Forbes Under 30" in 2019, the 4Ocean co-founding team of Andrew Cooper and Alex Schulze have been named to the Social Entrepreneur category.
- There have been clean-ups in 27 countries so far by 4Ocean. The company is operating out of multiple countries and employs more than 150 people around the globe.
- During 2019 4Ocean won the Guinness World Record for the largest underwater clean-up of all time.
- They've donated more than \$300,000 to 65 groups that work in marine conservation.

Furthermore, more and more enterprises are beginning to focus on the environmental marketing, inspired by attitudes like 4Ocean. Among them we can mention Sea2see, an enterprise that makes sustainable eyewear with recycled materials, Parley for the ocean, an organization that inspire group such as companies, brands, organizations, in the exploration of new ways of creating, thinking and living in a sustainable way. What really show the importance of Green Marketing today is the actions of the multinational (for example Starbucks, Ikea, Just Eat or McDonalds). When small businesses managed with purpose of cleaning ocean demonstrates the advantage of using a different type of marketing also for the side of profit, it brings a globally change, consumers play a main role to do this.

As stated by Oliver Speakman and 4Ocean's founders:

"What are your views on where the subject of sustainability is heading in general? What are some ways the average citizen can contribute towards sustainability?" – Oliver Speakman, Impakter.com, March 5, 2018.

"It's hard for our environment to stay productive when trash is being dumped into the ocean and it's even worse when that trash doesn't get picked up and disposed of properly. The problems stem further with the ingestion of microplastics in fish populations worldwide. Many people that eat fish are now consuming and digesting the microplastics in their bodies. The trash our communities throw into the ocean is making its way back into us. Floating trash islands are also forming all over the world that are harming our marine life. The average citizen has the choice to pick up their trash rather than discarding it in a place it doesn't belong" –Co-founders of 4Ocean.

4Ocean is based on a new type of business model, starting from a simple idea of a bracelet made by recycled materials, they just added an intangible feature represented by the value of the cleanups of the oceans. The company's success is characterized by the amount of customers that is increasing day by day, pushed by the will of defending the planet in which they live.

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