The Role of Green Marketing in the Development of Economic Behavior of the Population of Russia and the USA

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Abstract

A comparative approach to the identification and analysis of different causes of the genesis of green marketing in Russia and the United States is being developing. Argues the thesis that Russia is half a century behind in green marketing compared to the United States. Alternative methodological approaches to assessing the impact of green marketing on the development of economic behavior of the population are diagnosed. On basis of the original classification of types of economic behavior, specified by ten profiled criteria, such key components of the development of economic behavior of the population as rationalization, ecologization and humanization are represented and interpreted. Alternative barriers to the development of environmentally oriented economic behavior in Russia and the United States are revealing. Data of electronic mass media and communications, results of researches of marketing and consulting agencies are used. Based on the application of the methods of content analysis and retrospection, the problem of humanization of consumption in the USA, legislative confusion and turmoil in the field of regulation and control of the Russian market of eco-products are diagnosed. The conclusion is substantiated that the American model of population segmentation by different modes of environmentally-oriented economic behavior is inapplicable to Russian reality: active supporters of the consumption of eco-products, staunchly and consistently opposing pollution of the natural environment; proponents of a healthy lifestyle, aware of the value and importance of organic food; buyers who drifting towards the consumption of eco-products; pragmatists who accurately weigh on the scales the material and financial benefits of buying eco-products; consumers who refrain from buying organic products for reasons of ignorance or lack of necessary funds.

Keywords: Green marketing, Development, Economic behavior, Population

1 Introduction

In February 2019, the political leadership of the Russian Federation was determined the strategic course to use the natural advantages of the great natural capabilities of the country, to increase the production of environmentally friendly products, creating a secure domestic brand of pure "green" products, confirming that in its production were used only safe for health technology, serving quality assurance at domestic and foreign markets (16).


The law under consideration, particularly, establishes that in the production of organic products in the country specific requirements must be observed, including:

1) the separation of the production of organic products from the production of products not related to organic products;

2) a ban on the use of agrochemicals, pesticides, antibiotics, growth stimulators and animal fattening, hormonal preparations, with exception of those that are allowed for use by national, interstate and international standards applicable to the production of organic products in the Russian Federation;

3) a ban on the use of embryo transplantation, cloning and genetic engineering methods, genetically modified and transgenic organisms, as well as products made using genetically modified and transgenic organisms (6).
Taking into account the relevance and significance of this legal document for the growth of the economy, social sphere and citizens of the Russian Federation, the authors of this article came to the conclusion that it is necessary to study the role of green marketing in the development of economic behavior of the Russian population in comparison with the United States, which became pioneers in the formation and promotion of green marketing in domestic and foreign markets.

Thus, the goal and objectives of this study are to carry out a comparative analysis of the role of green marketing in the development of economic behavior of the population of Russia and the United States, identify and compare the causes of the genesis of green marketing in these countries, diagnose alternative methodological approaches to assess the impact of environmental marketing on the development of economic behavior, profile the classification division of different types of economic behavior, interpretation of the main components development of economic behavior, disclosure of the specification and the actual impact of environmental marketing in the development of the economic behavior of Russia and the United States population.

2 Methodological Framework

When conducting the study, the authors relied on historical, logical, comparative and systemic approaches, socio-economic analysis, the study of documentary and statistical sources, content analysis of data of electronic mass media and communication, results of researches of marketing and consulting agencies, a retrospection method, scientific works of domestic and foreign researchers in the field of economics, marketing, ecology, sociology and history of the Russian Federation and the USA.

3 Results

Currently, green marketing is the promotion of organic products on the market. This is the marketing of goods, services and technologies, emphasizing the quality of products that do not harm the environment, preserving health and natural resources. Ecological marketing is aimed at the value change and development of the worldview of buyers until they realize the inextricable link with natural nature, with the emergence of responsibility for its conservation and protection from negative influences on the part of society.

Answering 300 key questions of marketing, the American researcher F. Kotler (2006) explained the increased attention paid today in the world to green marketing by the seriousness of environmental problems, the impact of associations of environmental movement activists, publications in the press, the availability of funds to solve environmental problems and international pressure (12).

The emergence and spread of green marketing in the United States was due to several reasons. The first reason was idealological. The founder of the philosophy of American transcendentalism R.U. Emerson (2001) and one of his bright followers G.D. Thoreau (2018) (23) as early as the 19th century drew the attention of fellow citizens to the need for everything to rely on their own strengths and to seek support and comfort in proximity to the natural environment. From the point of view of R.U. Emerson (2001) and G.D. Thoreau (2018) (23), nature does not tolerate violation of its laws by people and avenge them with “embitterment”, which manifests itself in natural disasters, epidemics, impoverishment and the disappearance of natural sources of nutrition (5, 23).

The second reason for the genesis of green marketing was caused by technological innovations in the global chemical and pharmaceutical industries in the early 60s of the 20th century. The production and use of synthetic pesticides in agriculture, as well as a tranquilizer and painkiller thalidomide in medicine have led to increased social activity of two self-sacrificing American female scientists – R. Carson and F. Kelsey. They have achieved a ban on synthetic pesticides and thalidomide in the United States. In 1962, F. Kelsey prevented the birth of thousands of armless and legless children on the American continent, and the publication of R. Carson’s book “Silent Spring” did not allow biocide, contributed to the emergence of a massive environmental movement and the creation of the US Environmental Protection Agency (13).

The third reason for the development of green marketing is associated with the intensification of the global ecosystem crisis and the deployment of the telecommunications revolution of the late 90s – early years of the 21st century. The widespread adoption and use of digital gadgets have transformed the social structure of American society and have led to the emergence of a new social group – the bohemian bourgeoisie, who consider environmental aspects of their own health, lifestyle, eating habits and entertainment style to be absolutely priority. The observed phenomenon is a direct consequence of the global environmental crisis and the information age, when ideas and knowledge play at least as much a role as natural resources and financial capital (3).

Thus, the conceptual origins of green marketing in the United States are rooted in the first half of the 19th century, the time when the first industrial revolution ended. Green marketing as a specialized type of corporate activity and civic activity appears on the American continent in the early 60s of the 20th century.

In this regard, it is important to emphasize that in Russia the ideology of green marketing appears half a century later and independently of the American one. It is associated with the name of N.F. Fedorov (1982), who was one of the founders of the philosophy of Russian cosmism. He argued that the pollution, depletion and destruction of the organic and inorganic world are due to the unnatural growth and lifestyle of large industrial cities, the crisis state of the Christian civilization of the West (by rationalism, positivism, individualism, egoism, predation, class differentiation) and Islamic civilization of the East (by submission to blind force nature, continuous struggle with similar and infidels), population growth, spontaneous and natural disasters, parasitic infections, space processes and catastrophes (meteortites, comets, solar flares, etc.) (7). From Fedorov’s point of view, the salvation of mankind is associated with the mastering of new habitats, the development of science and technology, a change in the moral world of men and the system of relations between peoples (7).
Corporate and civil environmental marketing practices in Russia also arise later than in the USA. In 1917, the October Revolution took place in Russia, destroying private ownership of the means of production. On June 28, 1918, the Soviet government issued a decree on the nationalization of all any important industrial enterprises (25). The policy of "war communism", implemented in 1918 – 1921, led to an almost complete curtailment of market relations in the country (21). With the transition in March 1921 to the new economic policy (NEP), joint-stock companies (Exportkhleb and others), financial and credit institutions (for example, the USSR Commercial and Industrial Bank), commodity exchanges, cooperative shops and private stores appeared in the country, but it was only a short-term market thaw that ended in the late twenties (21). The nationalization of industry, the deprivation of the "individuality" of production activities have affected the change in the system of trade and consumption of goods and services in the country (26). Signboards of large stores – "Grocery store" or "Department store", depending on whether food products or consumer goods were sold in them – were included as a permanent component in the panorama of Soviet cities (2).

The way of life of people in Soviet Russia for decades remained Spartan, as the production of consumer goods grew not only slower than industrial production, but also below the levels outlined by the five-year plans (18). The assortment of goods was expanded, but they were chronically lacking (19). Marketing was declared speculation and in fact was equated with criminal activity, shops were in a state of neglect, with long lines of people hunting for scarce goods that suddenly appeared on sale. This everyday reality hit many foreigners who came to Moscow, although the situation was even worse in other Russian cities. Shortages were aggravated by the unpreparedness of industry for changes in demand in a market that was not actually studied; there were no specialized marketing centers and specialists, since marketing was not taught in higher education institutions. The quality and assortment of most consumer products were lower and less than foreign ones: for example, in 1956 there were 4.5 million telephones in the USSR and almost 90 million in the USA (2).

According to experts, if soap, fabrics, needles, threads and matches were subject to distribution in the initial period of Soviet power, not to mention fixed assets, land or access to communications (they got the deficit, changed it to what could be exchanged at the moment) then at the final stage of the existence of the USSR – in the 80s of the 20th century – tobacco, alcohol, coffee, tea, shoes and clothes were in short supply. Things didn’t reach the threads and needles, although Soviet people just in case created their stocks. Citizens exchanged a deficit, forming a very tight communication environment, the social life of "getting goods and services through the profitable connections (in Russian – "blat") or acquaintance" (11).

Marketing was returned and revived in Russia after the collapse of the Soviet Union on December 8, 1991, when the Russian Federation became the legal successor of the USSR, which began a difficult and complex transition to a market economy. In the 90s, marketing began to be taught in higher educational institutions of the country, the first research marketing centers appeared, magazines devoted to marketing activities appeared, marketing services began to be created at state, private, municipal and mixed Russian and foreign enterprises.

At the same time, the economic reforms of the 1990s (price liberalization and foreign trade, voucher privatization of state property) carried out in Russia in the form of radical shock therapy led to hyperinflation, social decline, a massive decline in incomes and living standards of the population, ruthless exploitation of natural ecosystems, plunder and export of minerals abroad. In the indicated time period, the main goal of majority of the needy Russian citizens was not to adapt to technological and environmental changes, but to elementary survival. In other words, the range of public choice of tens of millions of people was reduced to a simple and elementary set of options that did not include green marketing in their orbits, that is, practical care for the production, promotion and consumption of environmentally friendly organic products.

The situation began to change in the early 2000s as a result of rising world prices for natural resources such as oil and gas. With the growth of the extractive economy in Russia, corporate structures and public associations of citizens remembered about green marketing. Thus, while in the application of marketing Russia's time lag from the USA is almost 100 years, then in the appearance of green marketing it is 50 years. This circumstance is important to consider when comparing the role of green marketing in the development of economic behavior of the population of Russia and the United States.

From our point of view, the economic behavior of the population is a mobile and developing set of specified types of social action / interaction / inaction, oriented and aimed at achieving certain results in the production, exchange, distribution and consumption of material and spiritual goods, as well as resources. It is important to consider that, depending on the subject, object, content, shape, space and time of a concrete behavioral situation, inaction can be equated in importance to action. At the same time, on the ontological level, action is primary in relation to inaction. According to the authors of this scientific article, the specification of economic behavior can be carried out on various indicative grounds. Table 1 below presents the author's classification of the types of economic behavior based on profiled criteria. Depending on the choice of the scientific paradigm and purpose of the study, representatives of different sciences operate with different criteria and types of economic behavior (20).

In our opinion, multiple factors influence the economic behavior of a population:

- **Civilizational** – the historical level of development of the material and spiritual culture of a concrete society;
- **Geographical** – natural conditions, structure and size of the occupied territory, position on the earth's surface;
- **Ecological** – environmental properties that have a direct and indirect effect on living organisms;
- **Demographic** – population, its composition, number, reproduction, distribution on the territory;
- **Economic** – creation of conditions for ensuring the livelihoods of people;
Technological— advanced methods, tools, tools and processes used in material and spiritual production;
Scientific— new knowledge about space, natural and artificial nature, society and human thinking;
Educational— process systems for the generation, translation, transmission, assimilation and preservation of knowledge, skills;
Social— societal systems and subsystems for ensuring the reproduction of social subjects and objects;
political and legal— management and regulatory mechanisms governing relations in society, the functioning and development of state and municipal authorities, as well as public associations, movements and political parties;
Ideological— a system of ideas, ideas and views of different classes, social groups and layers that form and make up the stratification structure of society.

In our opinion, the influence of these factors is complex, multidirectional and controversial. At the same time, together they give rise to a synergistic effect and determine the prevailing vector of the process of development of the economic behavior of the population in Russia and the USA, as well as in other countries.

Table 1: Classification of types of economic behavior

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<th>Classification criteria</th>
<th>Types of economic behavior</th>
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| Temporal                | new.
|                         | archaic.
|                         | fashionable.
|                         | unfashionable.
|                         | stylish.
|                         | not stylish. |
| Spatial                 | individual.
|                         | group.
|                         | collective.
|                         | societal.
|                         | public.
|                         | private. |
| Structural              | status. |
|                         | role. |
| Functional              | labour. |
|                         | consumer. |
|                         | investment. |
| Subject-object          | rational-purposeful. |
|                         | value-rational. |
|                         | traditional. |
|                         | affective. |
| Descriptive             | rational. |
|                         | non-rational. |
|                         | irrational. |
| Managerial              | planned. |
|                         | spontaneous. |
|                         | managed. |
|                         | non-managed. |
|                         | strategic. |
|                         | tactical. |
|                         | situational. |
|                         | projective. |
|                         | deterministic. |
|                         | initiative. |
|                         | controlled. |
|                         | automatic. |
| Legal                   | normative. |
|                         | deviant. |
|                         | delinquent. |
|                         | sanctioned. |
|                         | non sanctioned. |
| Ethical                 | positive. |
|                         | negative. |
|                         | constructive. |
|                         | destructive. |
| Psychological           | conscious. |
|                         | unconscious. |
|                         | adequate. |
|                         | inadequate. |
Under the development of economic behavior of the population, the authors of this article understand the rationalization, ecologization and humanization of the actions and interactions of people in the production, exchange, distribution and consumption of material and spiritual goods, as well as resources. The rationalization of economic behavior is associated with processes of enhancement and improvement of the applied methods, tools and management tools in this area. Ecologization implies the growth and strengthening of the protection of the natural environment and society from the negative impact of anthropogenic and technological factors (8). Humanization is determined by the need to reproduce and strengthen responsibility, solidarity, justice and prosperity in the field of economic behavior.

In this regard, it is important to emphasize that people can be aware of the relevance and importance of solving environmental problems, but this does not mean that their economic behavior in the market will be automatically environmentally oriented. There are number of barriers due to the above factors that impede environmentally oriented economic behavior. The main obstacles are the inability or unwillingness to pay a higher price for environmentally friendly marketing products (14), as well as “affluenza” or “syndrome of consumerism” – painful, infectious, socially transmitted virus of overload and anxiety due to obsessive desire and stubborn pursuit of new acquisitions (10).

From our point of view, if the inability or unwillingness to pay a higher price for environmentally friendly marketing products is predominantly characteristic of many Russian citizens, then “consumerism syndrome” prevails in a significant part of the US population. The fact that this is not an exaggeration is evidenced by statistical data. For example, in Russia in 2019, 20.9 million people with incomes below the subsistence level or 13.9% of the country's population were factually withdrawn from the orbit of environmental consumption in the market. This is more than the population of two Russian capital megacities – Moscow and St. Petersburg. In the United States, shopping centers have replaced churches as a symbol of cultural values, local people spend six hours a week on shopping and only forty minutes to play with their children, and also spend more money on shoes, jewelry and watches than on higher education while Americans spend more on garbage bags than 90 out of 210 countries spend on everything else (11).

Along with the indicated prevailing barriers that hinder the environmentally oriented economic behavior of the population of Russia and the USA, there are other barriers. Experts attribute to them the quality and accessibility of eco-products on the market, knowledge, awareness, habits and motivation of customers (17,27).

In 2018, the global market for organic products amounted to 90 billion euros. In the ranking of the largest national markets for eco-friendly products, the first place is occupied by the USA (40 billion euros), the second – Germany (10 billion), the third – France (7.9 billion), the fourth – China (7.6 billion). In Russia, the market for environmentally friendly marketing products is just beginning to take shape. At the same time, relatively small shops of eco-goods have appeared in almost every city shopping center, and shelves with organic food located in many hypermarkets in the country. According to NeoAnalytics Company data, in 2018 the volume of the Russian eco-products market amounted to 82.2 million euros, an increase of 8.2 percent compared to 2017. But while in the USA and Europe the production of eco-products passes strict control, in Russia there are no regulatory acts and departments regulating the eco-products market so far. In other words, the inscriptions on the labels remain on the conscience of domestic manufacturers. This situation opens wide opportunities for dishonest companies in Russia to practice “greenwashing” – to mislead buyers and consumers regarding the cleanliness of organic products, to create a favorable image of environmentally-friendly enterprises and increase sales non-organic marketing products.

So far, in the field of environmental production regulation in Russia, manufacturers are guided by the Technical Regulations of the Customs Union, where it is stated that organic labeling should be factually confirmed. For violation of this requirement, the manufacturer is subject to an administrative penalty in the form of a fine, the maximum amount is up to 6850 euros. But already in 2020, Russia should have mandatory certification for organic products, designed to restore order in the market. Particularly, labeling the product with the distinctive signs “eco”, “bio”, “organic” will be banned without permission. In other words, from January 2020, upon arriving at the store, Russian buyers will be able to purchase real organic products, organic producers will be listed in the official register of the Ministry of Agriculture of the Russian Federation. All data on the organic product marked with the trademark “organic” can be found by the QR code printed on the package.

In the USA, federal and local governments, faced with the practice of “greenwashing” back in the 60s of the 20th century, strictly monitor and control the functioning and development of green marketing in the country. The Federal Trade Commission (FTC) – an independent agency of the US government – protects the rights of American consumers from unscrupulous or misleading businessmen. The responsibilities of the FTC business unit, the Consumer Protection Bureau, include, inter alia, investigating complaints and suspicious facts related to the practice of greenwashing. Under the FTC Act, commission lawyers have the right to file cases on her behalf with the U.S. Federal Court. In individual cases of consumer rights violations, lawsuits may be filed jointly or with the support of the US Department of Justice.

4 Discussion

With a certain degree of conventionality, all those working in the specified subject area according to the epistemological criterion can be divided into several groups: one part of the researchers is focused on the search for facts, another on the search for ideas, and the third on the synthesis of empirical and theoretical approaches.

According to the subjective criterion, researchers can be conditionally divided into those who mainly focus research on behavior of economic human, of sociological human and of psychological human.

According to the descriptive criterion, scientists involved in studying topical problems of economic behavior are divided into adherents of different research approaches: the
positivistic substantive rationality of M. Friedman (24) and
the behaviorist limited rationality of H.A. Simon (1972) (22). From the point of view of the first approach, rational forms, attributes and modes of economic behavior are inherent in homo oeconomicus. In the context of the second approach, homo oeconomicus is also characterized by unreasonable / irrational forms, attributes and modes of economic behavior.

Thanks to the application of the managerial criterion, it is clearly highlighted that there are different theoretical justifications for the role of green marketing in the development of economic behavior of the population. This is largely due to the fact that “all societies that actually exist or are imaginary can be located along a single continuum, on the one hand of which there is a‘night watchman state’– a minimalistic state of classical liberalism, and on the other – a society in which the state has taken upon itself the key economic functions of production and distribution, practically blocking the possibility of market transactions” (1).

Thus, the selected criteria highlight various cohorts of scientists who have focused on the topic of research on the role of environmental marketing in the development of the economic behavior of the population of Russia and the United States; they represent alternative paradigm approaches to this problem. That’s why it’s hard to find here consensus omnium (Consensus omnium – consent between all).

5 Conclusion

The study of the role of green marketing in the development of the economic behavior of the population of Russia and the USA allows the authors of this article to come to number of relevant and important conclusions. Green marketing in the USA plays a greater role in the development of economic behavior of the population compared to Russia. Since the American market for eco-products lasts almost five decades longer, exceeds the Russian market hundreds of times in scale and volume, is systemically controlled and regulated by the authorities that apply legal, administrative and tax mechanisms for its optimization. The influence of American green marketing is now so great that it allows us to segment the US population according to different modes of environmentally oriented economic behavior: active supporters of the consumption of eco-products, staunchly and consistently opposing pollution of the natural environment; proponents of a healthy lifestyle, aware of the value and importance of organic food; buyers drifting towards the consumption of eco-products; pragmatists who accurately weigh on the scales the material and financial benefits of buying eco-products; consumers who refraining from buying organic products for reasons of ignorance or lack of necessary funds. The refraining category of American consumers is inferior in terms of size to other population groups representing environmentally oriented economic behavior. In other words, the rationalization and ecologization of the economic behavior of the US population at present is a fait accompli. At the same time, the problem of humanization of consumption remains an acute problem for the United States, as American buyers acquire more marketing products than all consumers in other countries of the world.

In the Russian Federation, the indicated segmentation of the population according to different modes of environmentally oriented economic behavior is not applicable due to pauperism and poverty of 80% of the country’s citizens who are not able to purchase more expensive organic products. Citizens forced to grow natural products in personal subsidiary plots in summer cottages and vegetable gardens for personal consumption. Another reason is the legislative confusion and turmoil in the field of regulation and control of the domestic eco-product market. Along with the adopted federal law “On Organic Products and Amending Certain Legislative Acts of the Russian Federation”, in 2019 the State Duma of the Russian Federation introduced a draft law on environmentally friendly products that allows the use of chemicals in organic products, which completely contradicts the principles organic production and brings chaos to the domestic market for eco-products (9). In order for green marketing to begin to play a significant role in Russia in developing the economic behavior of the country's population, to promote its rationalization, ecologization and humanization, it is necessary to solve at least two main tasks – to end pauperism and poverty and optimize the legislation governing the production of organic products and environmental practices marketing aimed at changing the value and developing the worldview of customers until they realize the inextricable link with the natural environment (4, 15), the emergence of responsibility for its preservation and providing protection from negative influences from society.

References


